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The Nation's Business

Royal Commission on Public Finance

A Strong Group —But Minus Experts

Aberhart Cabinet Now Devoid of Middle Opinion

Ontario Election Comes Early

Dictatorship by Legislation

Rowell to Head Finance Enquiry

WITH the appointment of Hon. Newton W. Rowell, chief justice of Ontario, as chairman of the Royal Commission on Public Finance, the country will have assurance of thoroughness, independence and understanding in the enquiry. Mr. Rowell is a great citizen, a man of sterling integrity and of high abilities. But Mr. Rowell is not primarily an authority on public finance.

Not one of his four associates is an authority on the subject. Yet all are able men in their own fields—and if no experts were available the Government could hardly have selected a group of greater intellect, understanding and honesty of viewpoint.

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THE problems are simply expressed: overlapping of government between the provinces and the Dominion; duplication of taxation; provincial and municipal responsibilities that exceed their revenues; and in consequence of these factors general confusion in taxation and borrowing that have led to excessive taxation and a general lowering of the credit of all public borrowers in Canada.

The need can be expressed with equal simplicity. It is to determine how much government should be carried on by the Dominion, and how much by the provinces and their creatures, the municipalities; then to formulate a division of taxes and other revenues that will enable each class of government to carry out its share of the common task of administering Canada and looking after the welfare of the citizens.

The terms of reference set forth the problem as well as they could possibly be set forth.

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IT WOULD have been far better to have engaged an eminent and independent British economist or financial authority as chairman of the commission. His advice would have carried weight with all classes and political groups.

A commission which included one or two outstanding economists and financial authorities such as Sir Josiah Stamp, Sir Arthur Salter or Sir George May, all of whom enjoy international reputations, would have carried much more weight than one consisting entirely of Canadians. Any one of these men would have brought to the commission a fresh and independent viewpoint, free from local interests and prejudices. In addition, they would have brought to bear on Canadian problems, trained minds and broad experience in all matters affecting finance and taxation.

The unwillingness of the cabinet to select an outside chairman, the long delay in getting the terms of reference drawn up and published, and the decision to appoint jurists and commentators on public affairs rather than authorities on public finance, or even business and financial leaders, indicate clearly that in high places there is a failure to realize the true importance of the work to be done. They suggest as well that in these same high places the administrative and financial character of the enquiry that is proposed is not fully realized.

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IT WILL be noted that the terms of reference of the enquiry are such as to permit the commission, if it chooses, to go beyond the restricted field of the governmental and taxation relationships of the Dominion and the provinces. It is authorized to study costs of government in Canada under any heading. There would be nothing to debar the commission from commenting upon the Dominion's own financial problems, such as the failure to balance the budget or the lethargic attitude toward the railway problem.

Thus the commission may have the chance of becoming not only a group of "Fathers of Re-Confederation" but it would not be going outside its instructions if it were to become a May Commission for Canada and report, as Sir George May did in England, upon the financial problems of the central government.

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No Moderates Left In Aberhart Cabinet

A YEAR ago The Financial Post presented a line-up of Mr. Aberhart's cabinet according to the social and economic philosophies of its members. This is it:

Right Wing — Cockroft, Ross, Chant. **Left Wing**—Cross, Fallow, Maynard. **Neither** — Aberhart, Manning, Hugill.

Since then every one of the Right Wing or moderate cabinet ministers has disappeared. Now Hugill, one of the "on-the-fence" members, has also gone. A new man, Solon Low, whose economic philosophy is uncertain, has come in. The cabinet is under the domination of the ir-

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Sweden Sees Prices Rising On Newsprint

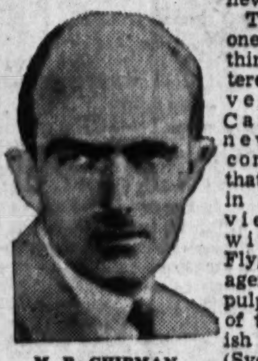
Spot Sales at $75 Made By Swedish Mill

BRIGHT OUTLOOK

By MURRAY R. CHIPMAN

Eastern Manager, The Financial Post

STOCKHOLM. — Scandinavian newsprint mills are obtaining as high as £15 ($75) in spot sales of newsprint.



M. R. CHIPMAN

This was one of the things of interest to investors in Canadian newsprint companies that I learned in an interview here with Einar Flygs, manager of the pulp division of the Swedish Pulp Co. (Svenska Cellulosa Co.)

Mr. Flygs said:

"While we make some newsprint—about 35,000 tons—our chief production is chemical pulps—some 700,000 tons of sulphite and sulphate—and ground wood pulp, 200,000 tons. We shipped over 375,000 tons to the United States last year, so you see we have quite an interest in your continent.

"The price of pulp has been stiffening considerably for some time but the recent performance of newsprint prices has been most impressive in the smaller markets, which suggests a movement upward in the larger markets.

South American Price

"For example, a year ago we were getting £9 a ton for newsprint in South America. Reflecting the price increase by Canadian mills this advanced to £10.10 and we have actually sold some 'spot' tonnage at £15, 10s.

"Sweden's newsprint price picture in other markets is largely dependent on what Bowater's Paper Mills Ltd. does in England. As you know, to the industry's amazement, Bowater's established the price of £10 for 1937 and 1938 with contract customers.

"It is expected, however, that Bowater's will get a voluntary increase from this contract agreement—perhaps up to £11, 10s. for the second half of 1937 and, it is rumored, as high as £13 for 1938 and £16 for 1939. It has even been suggested that the pushing up of pulp prices will convince Bowater's contract customers that the rise in costs has made an increase in the present contract price imperative."

Bowater's Gets Mills

I learned from other sources that Bowater's, in addition to protecting its wood supply by buying 1,000 sq. miles of timber limits in Canada, has purchased two of three mills from an owner in northern Sweden. One of the mills is modern, having been constructed in 1927. The other was built in 1909 but has been modernized.

This will give Bowater's 300,000 tons of wet pulp but still leaves the firm dependent on being able to buy wood for these mills. This latter factor is important because Bowater's imports all its wood or pulp. This proved profitable during the depression but now leaves the company vulnerable in regard to basic costs.

Bowater's produces some 500,000 to 600,000 tons of England's estimated newsprint production of 800,000 to one million tons. It is reported that for the 20% of its production not sold to contract customers at the £10 rate, Bowater's have been getting from £13 to £15 recently.

It is of interest that Scandinavia's exports of newsprint to the English market are relatively small. In 1936 they were: From Sweden, 20,000 tons; from Finland, 80,000 tons and from Norway, 20,000 tons. Sweden's home consumption is 85,000 tons—selling locally today at £10. The production capacity is 300,000 tons.

Lesson Learned

Another comment by Mr. Flygs was:

"We in Scandinavia had our era of overproduction—just before the war and after—with overcapitalization and excess production and consequent bitter commercial rivalries during the early depression years. I think we have learned our lesson, that co-operation and wise policies for the future are the only sound basis for the industry."

Highlights

Has the West a Future?

A. G. Street, English writer and farmer, gives the conclusions reached from a summer spent in Canada. Page 9

Has Capitalism Failed?

Sir George Paish presents his views on the way capitalism has worked in recent years. Page 9

Germany's Synthetic Age

The four-year plan aims to broaden Germany's industrial picture without imports of materials. Page 9

Employee Welfare

Group insurance and death benefit plans have been widely adopted by Canadian employers. Page 8

Uruguay Bondholders

1938 will see holders of Republic of Uruguay bonds getting more favorable treatment. Page 3

Social Credit Boss

English agents for C. H. Douglas are members of the new Provincial Credit Commission appointed by Premier Aberhart. Page 9

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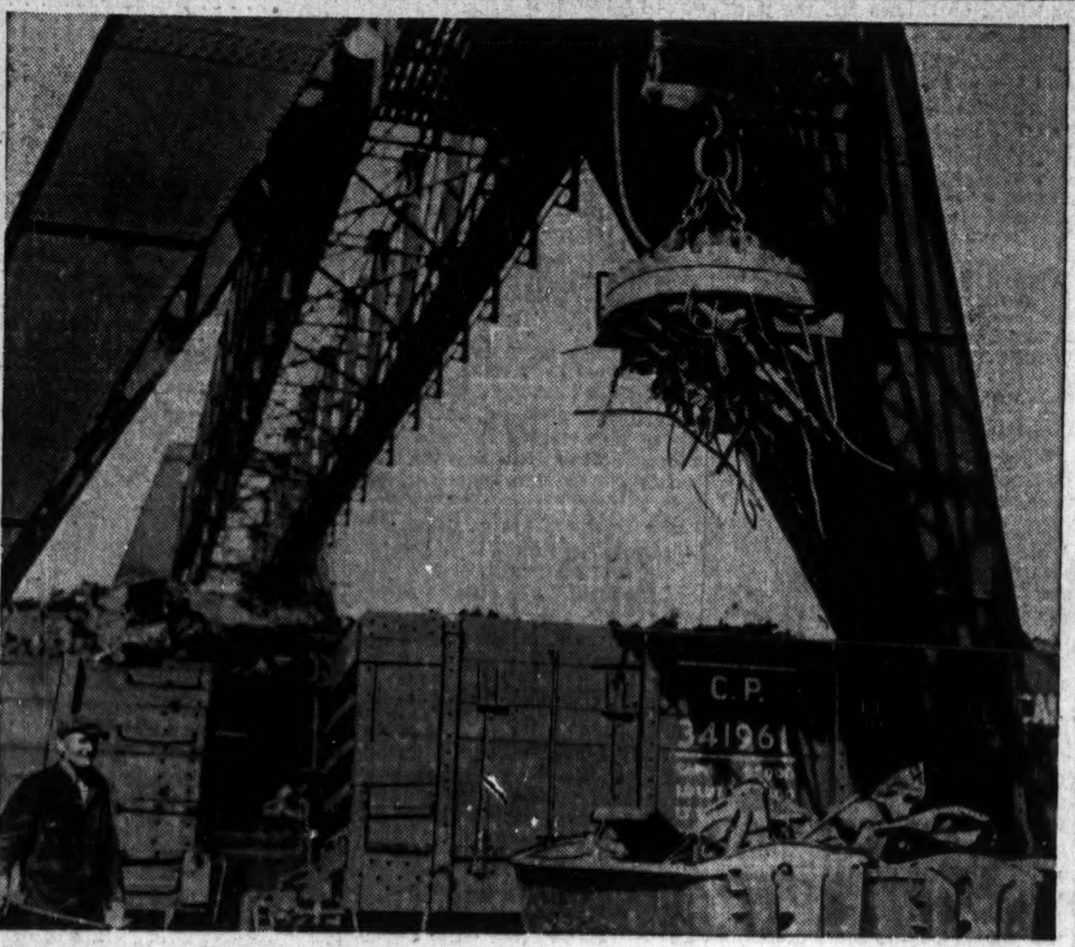

SCRAP IRON FOR ALGOMA STEEL

Skyrocketing of scrap iron prices has developed largely from revival of commercial demand for steel and this scene at Sault Ste. Marie shows that all the scrap iron is not going abroad for armaments. The magnetic hoist is carrying scrap from railway cars into mills of Algoma Steel Corp. to be made into structural and automotive steel. When Algoma Steel gets its Helen Mine into operation, it will have ample iron ore.

Algoma Steel Profits Show Upward Trend

Firm Opens Fiscal Year With Larger Earnings

PRODUCTS IN DEMAND

By STAFF WRITER

SAULT STE. MARIE.—With operations of Algoma Steel Corp. continuing to record improvement, expectations are that profits in the current fiscal year will be higher than in the year ended April 30, 1937, when earnings on common stock were equivalent to 20 cents a share. For the three months ended July 31, earnings were higher than in the corresponding period of 1936 and it is expected that this trend will continue, The Financial Post is informed. Business on the company's books at the present time is greater than a year ago.

Improvement in the company's operations is due largely to the programme of diversification which has been carried out by the company during the past two years. Formerly the company depended almost entirely upon the production of steel rails for its prosperity, but is now able to carry on profitable operations although rail orders are small in volume. Should demand for rails show marked improvement the company would probably make large profits.

Good Demand For New Products

Excellent demand is being experienced for new products which have been developed by the company and which formerly were not manufactured in Canada. The most important of these are heavy structural forms and sheet piling.

Like other steel concerns, Algoma Steel Corp. is benefitting from the improvement in building activity and more particularly from the number of large bridges which are being built in Canada. Among important customers of the company are Dominion Bridge Co., Hamilton Bridge Co., Sarnia Bridge Co., Canadian Bridge Co. and Western Bridge Co. The company has supplied some of the steel for the new C.N.R. bridge at Fredericton and has orders for steel for the new Thousand Island Bridge across the St. Lawrence and the Lion's Gate bridge at Vancouver. It is probable that it will also obtain some of the business on the new bridge at Sarnia.

Good demand has been experienced for sheet piling. This product is largely used in harbor, breakwater and dock construction.

Automobile Business Better

Demand has also improved for automobile steels and this year the company is supplying crank shaft steel for the Chevrolet and Chrysler cars which are manufactured in Canada. This is the first year that the Chrysler business has been obtained.

Equipment orders given by Canadian railways earlier in the year have also meant additional business

(Continued on page 2, col. 8)

Bell Telephone Reports Gains

From Our Own Correspondent

MONTREAL. — Bell Telephone Co. of Canada reports a net gain in telephone installations up to the end of July this year of 16,600, as compared with 4,600 stations for the like period in 1936. A year ago there was a marked summer let-down, but this year, it is stated, discontinuations for the summer months have been substantially less. There was a gain of 10% in long distance toll traffic during the seven months period, with returns for June and July somewhat below expectations.

Asbestos Corp. Profits Higher

Current Operations Indicate Improved Position for Firm

From Our Own Correspondent

MONTREAL. — Operations and sales of Asbestos Corp. continue at a high level and the income account for 1937 is expected to show another material advance in earnings on the capital stock.

While no interim statement has been issued, the Government's report on asbestos exports indicates that the industry is experiencing an exceptionally active time. During last June shipments totalled 17,205 tons, as against 12,225 tons for the same months last year. The gain for the quarter ended June is even more pronounced, 50,897 tons as against 28,303 tons in 1936. The buying has been almost wholly on a peace-time basis, very little asbestos being needed in armament manufacture.

Asbestos Corp. has secured its share of this increased business and with higher prices prevailing, dollar returns should be well ahead of a year ago. The gain will not be so great as indicated by spot prices for asbestos, as in this industry a large part of the output is sold on yearly contracts. Nevertheless the values obtaining this year are better than in 1936, so that higher earnings are to be expected.

The report for this year will show a number of important changes as a result of the financing carried out earlier in the year. The retirement of the general mortgage bonds removes the last obstacle to the payment of dividends on the common, which has been increased to 150,000 shares. In addition the company issued some new low coupon bonds, not exceeding $1 million, particulars of which have not been made known.

Paish to Deal With Gold

Sir George Paish deals outspokenly with the gold problem in his third article which appears next week in The Financial Post. He discusses both sides of the question of devaluation and is sharply critical of Government measures aimed at promoting trade.

Scotia Steel Out of Red On Operation

Bankrupt Maritime Enterprise Not Earning Interest on Mortgage

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel & Coal Co., which has been in liquidation since the early part of 1933, is understood to be operating in black, but net income is not sufficient to cover interest charges on the first mortgage bonds.

No report has been issued by the liquidator, D. H. McDougall, since he took over more than four years ago, and for that reason detailed returns are not available. In a general way, however, it can be said that while the company is keeping its head above water, the time is not ripe for a reorganization. There have been discussions to this end on different occasions, but further than that nothing has been done.

In recent months there has been a renewed interest in the defaulted first mortgage bonds and debenture stock, and to a lesser extent in the preferred shares. All common stock is held by Dominion Steel & Coal Corp.

Owing to the absence of any financial statements since 1932, it is not possible to survey Nova Scotia Steel's current financial position, save to say that there are currently outstanding $4,361,761 of 5% first mortgage bonds and $4,978,500 of 6% perpetual debenture stock. In addition there are the underlying bonds of Eastern Car which have been kept in good standing.

Over the past year there has been a very sharp increase in the demand

(Continued on page 2, col. 3)

Lake Sulphite Stock on List

Bond Offering Expected Soon — Pulp Sold at $70

Shares of Lake Sulphite Pulp Co. are to be called for trading on the Toronto Stock Exchange Aug. 23. In trading between unlisted dealers, the shares have had an approximate price range of $21 to $28 since issue last April at $26. Recent quotations have been around $27 a share. The shares will also be listed in Montreal.

Lake Sulphite's outstanding capital is 150,007 common shares and $3 millions of 5½% convertible first mortgage bonds. The first mortgage bonds were taken up privately this year, but a public offering is expected in the near future, possibly in September.

In addition to timber rights in the Nipigon River area and the large sulphite pulp mill now under construction, Lake Sulphite controls the adjacent timber limits and 40-tons-a-day groundwood pulp mill of Nipigon Corp. The price paid to Canadian International Paper Co. for outstanding shares of Nipigon Corp. is now reported to have been $500,000, the assets thus acquired having a value estimated at substantially in excess of the purchase price.

Over 80% of the Lake Sulphite output has been sold at 1938 prices of about $70 a ton delivered to Atlantic seaboard docks. It is understood that the company has made sales contracts for tonnage greater than the initial mill capacity which can be satisfied by delivery of 80% of the contracted quantities. This protects against failure of a customer to take delivery and would also give the company a market for more pulp if the mill capacity is enlarged.

Alcohol Cash At Big Figure By Year's End

Deal With Hiram Walker for Balance of Stock Is Possibility

CLEAN BALANCE SHEET

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol is building up an exceptionally strong cash position through liquidation of its American-type whiskies, all of which have been sold to American buyers, payment being made on delivery. At the end of last September the company showed on its balance sheet $791,848 in cash and call loans. By the end of next month, when the fiscal year ends, the figure should be much higher.

Domestic beverage and industrial business continues to show satisfactory gains.

Canadian Industrial Alcohol was enabled to write down the value of its capital stock from about $13.4 millions to $4.8 millions, which permitted the company to eliminate the accumulated deficit, write down goodwill to $1, wind up Canadian subsidiaries, and provide more adequate reserves.

The next major development was the sale of a large block of stock held by the estate of the late Sir Mortimer Davis to Hiram Walker-Gooderham & Worts at an undisclosed price. The entry of these new interests into the picture resulted in a number of changes on the board of directors.

Some time ago it was stated that the company's policy would be to dispose of its inventories, distribute the proceeds to the shareholders and more or less wind up the company.

The furtherance of this policy is doubtful, prospects being that Hiram Walker will likely make an offer to exchange stock with the shareholders of Canadian Industrial Alcohol in order to secure full control. While the cash position of "Alcohol" at the end of the current fiscal year would justify the payment of a dividend, it is more than likely that the cash resources will be kept intact in order to draw out a more attractive offer for full control. With the proceeds from the American-type whiskies distributed to the shareholders in the form of dividends, the remaining assets would not be especially attractive to Hiram Walker-Gooderham & Worts. On the other hand, with a strong cash position, Hiram Walker would be more than likely to make an attractive offer for the balance of the stock.

The last consolidated balance sheet showed assets of over $10.1 millions, of which over $4.5 millions represented current liabilities and McNish debentures. The equity back of each "A" and "B" share was $4.93, which compared with a current market value of about 6½. Walker stock is now selling in the neighborhood of 49, which would indicate a ratio of about one share of Walker for eight shares of "Alcohol." On the other hand, Alcohol earned 32 cents a share last year, as compared with $6.56 for Walker.

Smelters Closing McKenzie Mine

In a letter to the Montreal Curb Market this week, A. H. McKay, president of Consolidated Chibougamau Goldfields Ltd., states that on Aug. 17 he was informed that Consolidated Mining & Smelting Co. of Canada had notified the Department of Mines, Quebec, of decision to close down the McKenzie mine by freeze-up.

As Consolidated Mining & Smelting Co. was in complete charge of mining operations, no doubt a statement would be forthcoming from it, Mr. McKay stated. Subsequent reports, however, are that J. J. Warren, president of Consolidated Mining & Smelting Co., has no statement to make and that none will be forthcoming until W. M. Archibald, vice-president in charge of mining operations, returns.

The McKenzie property of Consolidated Chibougamau is the one on which the most extensive development work has been done.

Only last week it was announced that another 25,000 shares of Consolidated Chibougamau stock had been taken up at $1 a share by Consolidated Mining & Smelting Co. under option.

Winnipeg Elec. Gets Contract

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. has entered into a contract to supply Kenora Paper Co., a subsidiary of Minnesota and Ontario Paper, with 5,000 h.p. of firm power at its paper mill in Kenora and such secondary power as may be available up to 20,000 h.p.

It is expected that the power will be ready for delivery early next year and that it may add as much as $250,000 annually to Winnipeg Electric income.

Alberta Acts Disallowed

Federal Gov't Voids Social Credit Bank Statutes

From Our Own Correspondent

OTTAWA. — Disallowance, effective immediately, of three statutes passed at the recent session of the Alberta Legislature, was officially announced by Prime Minister W. L. Mackenzie King, Tuesday night.

The Acts were disallowed, Mr. King explained, because of the refusal of Premier William Aberhart to agree to facilitate their reference to the Supreme Court of Canada and meanwhile to delay enforcement of them. The Acts were beyond the jurisdiction of the province and would do injury to the public interest of Canada, said Mr. King.

Disallowed were: Act Restricting the Civil Rights of Certain Citizens, Act to Amend the Judicature Act, and Act to Regulate the Credit of the Province of Alberta.

Confusion Feared

The Alberta Acts, Mr. King emphasized, constituted an unmistakable invasion of the jurisdiction of the Federal Parliament, "virtually supplanting Federal legislation." Because of the vagueness of the terms of the Alberta legislation, its attempted enforcement, Mr. King stressed, would have caused confusion in Alberta and throughout Canada adverse to public interest.

A particular feature of all the Acts disallowed, Mr. King remarked, was that the courts of justice were closed to any affected by the Acts.

Other Acts passed at the Legislature session were not disallowed because they did not contain this objectionable feature.

The Dominion Government, in disallowing the Alberta Acts, Mr. King concluded, acted as the representative of the people of Canada as a whole because the Acts were far-reaching in their effect beyond the bounds of Alberta Province.

Aberhart to Fight

From Our Own Correspondent

EDMONTON.—How far the Aberhart Government will go in its attempt to fight the action of Ottawa disallowing its legislation remains a question. Premier Aberhart has declared that the battle will be fought along constitutional lines.

Propaganda issuing from Social Credit sources was earlier construed as preparing the public for defiance of Ottawa and a prolonged battle against federal authority.

A general election in Alberta is freely predicted and as freely scoffed at.

Hudson Motors Raises Canadian Car Prices

Hudson Motors of Canada has announced increased price schedules effective Sept. 1. Increases will range from $35, exclusive of taxes, on Terraplane models and up to $45 on the Hudson. The company states that practically every manufacturing cost, including wages, has risen substantially.

Alberta Disallowance Seen As Precedent for Ontario

Disallowance of the Alberta bank legislation raises the question of what fundamental difference there is between the Alberta proposals and Ontario laws, which not only attempted to close the courts to affected parties but barred collection of judgments arising out of the repudiation of Ontario Hydro contracts.

One of the most distinguished legal and Parliamentary authorities in Canada was consulted on this point by The Financial Post. His comment:

"The Ontario legislation is the parent of the Alberta trouble. Mr. King should never have said that he would not disallow the Ontario contract cancellations. After that Ontario went farther and denied access to the courts and finally barred officers of the courts from collecting judgments in the contract case. Mr. King now finds where it is leading him in connection with Alberta, that it is destroying the very basis of Confederation. The action that has had to be taken on the Alberta laws should absolutely compel similar action on the Ontario laws."

In recommending disallowance of the Alberta statutes, Rt. Hon. Ernest Lapointe explained the principle reason in these words:

"While the undersigned is of opinion that no project nor policy of a Provincial Legislature should be interfered with by exercise of the power of disallowance merely on the ground that measures to promote such project or policy are of doubtful constitutional validity, a distinction is to be made where the Legislature deliberately attempts to interfere with the operation of Dominion laws and to substitute laws and institutions of its own for those legitimately enacted and organized by Parliament, and this is particularly true where the Legislature has denied recourse to the courts of justice."

Terms of Enquiry Designed to Enlist Provincial Support

Commission Instructions Stress Financial Rather Than Constitutional Aspect — Personnel Carefully Chosen

From Our Own Correspondent

OTTAWA. — As Parliament Hill reads the terms of reference issued this week to the Royal Commission on Dominion-provincial relations, the Federal Government is appealing to that body in the strongest possible terms to constitute itself a group of "Fathers of Re-Confederation" for the Dominion.

Throughout, while the problem facing the Commission is set out in the guise of a constitutional one, the financial aspect is given significant stress.

In as plain language as is used in any governmental communication the Royal Commission is invited to give its opinion on the measures necessary to control the growth of taxation and indebtedness in Canada by eliminating duplication in government and overlapping in taxation.

The Commission is invited—at least inferentially—to constitute itself a critic of governments and particularly of their expenditures. Then, having criticized, the Commission is asked to submit to the Federal Cabinet its ideas for government reform subject to one proviso alone: any recommendations which may be made must contemplate a Federal system. (That is to say, there is to be no proposal for scrapping the provinces.)

Provinces Protected

Such a Commission, in the opinion of Parliament Hill, may very well prove the most important in the history of Confederation, but only if the provinces can later be prevailed upon to acquiesce in the acceptance of its recommendations.

The important thing to note about the terms of reference are their breadth. While the Commission's attention is directed to three or four specific questions, it is explicitly stated that consideration of them is not to be taken as "limiting the general scope of the enquiry."

The ministry had in mind the importance of securing the co-operation of all the provinces including Alberta. It sought to avoid any suggestion that the investigation was linked with the so-called "vested interests," therefore no representative of Canadian business or finance has been appointed, although the problem is fundamentally financial and the Government itself is directing attention to the business phase of it.

Undoubtedly the absence from the Commission of a representative of Canadian finance or business is a weakness, but it is a weakness which Parliament Hill considers to have been largely unavoidable.

Constitutional Experts

The result is a personnel which, while not outstanding in the realm of economics, is regarded as particularly strong in judicial qualities and knowledge of constitutional history. It is a personnel, furthermore, which is recognized as sincere, while each of the individuals included has an excellent reputation for diligence and industry.

While nominally the enquiry has a constitutional background its chief interest lies in the financial phases of the investigation. The clue to the ministry's attitude in this regard is furnished by the Order-in-Council appointing the Commission. The whole tenor of the document is to emphasize the heights to which the taxation burden upon Canada's citizens has soared. Attention is called specifically to "the overlapping and duplication of services as between the Dominion and provincial governments in certain fields of activity." The importance is also emphasized of keeping the "burden of public expenditures to a minimum" and of ensuring for the revenue-raising powers of the various authorities "the adequacy and the elasticity required to meet the respective demands upon them."

And, finally, there is the declaration that representations have been made to the Dominion that "necessary municipal expenditures have placed an undue burden on real estate and are thereby retarding economic recovery." That statement accomplishes a dual purpose. In the first place, it makes economic recovery a specific subject for the Commission to consider. And it makes it perfectly clear that municipal governments are not to be excluded from the investigation.

Survey of Taxation

The Commission is specifically instructed to investigate the character and the amount of taxes collected from the people of Canada and to consider them, among other ways, "in the light of financial and economic conditions." It is instructed also to "examine public expenditures and public debts in general." And it is to report what, in its opinion, "will best effect a balanced relationship between the financial powers and the obligations and functions of each governing body, and conduce to a more efficient, independent, and economical discharge of governmental responsibilities in Canada."

Quite obviously, any recommendations which the Commission may make will involve constitutional revision. And traditional experience has indicated the overwhelming difficulty, if not actual impossibility, of securing agreement among the

(Continued on page 2, col. 3)

A "D.A." STATEMENT WOULD HAVE PREVENTED ALL THIS!

Bills . . . bills . . . bills! No wonder there are "family fireworks" on the first of the month. But if he'd only arranged for his wife to shop on an

EATON DEPOSIT ACCOUNT

he would have received a detailed statement of purchases all "paid for" instead of this bugbear of "unpaid" bills.

It's well worth thinking about, Mr. Head-of-the-Family . . . not only because of a D. A.'s efficiency in helping to look after the family budget, but also because of its convenience both shopping in the store, and by phone when it's not easy to get down town. For further information, or to open a "D.A." please call at any of the following places:

MAIN STORE
D. A. Office, Fourth Floor
Service Bureau, Main Floor
Counting Room, Second Floor
Cash Office, Third Floor

EATON'S-COLLEGE STREET
D. A. Office, Third Floor
Service Bureau, Main Floor
EATON'S ANNEX
Cash Office, Second Floor

THE T. EATON Cº LIMITED

Halifax Cargo Movement Records Jump For July

From Our Own Correspondent

MONTREAL.—Cargo moving through the port of Halifax during July amounted to 173,499 tons, as against 121,838 tons in the same month last year. There was a small gain in exports, while imports jumped from 61,769 tons last year to 106,664 tons this year.

Cumulative returns for the first seven months of this year showed total cargo movement of about 1.4 million tons, made up of 742,410 tons of imports and 638,718 tons of exports. For the same months last year, imports amounted to 642,971 tons and exports 557,192 tons, or a total of 1.2 million tons.

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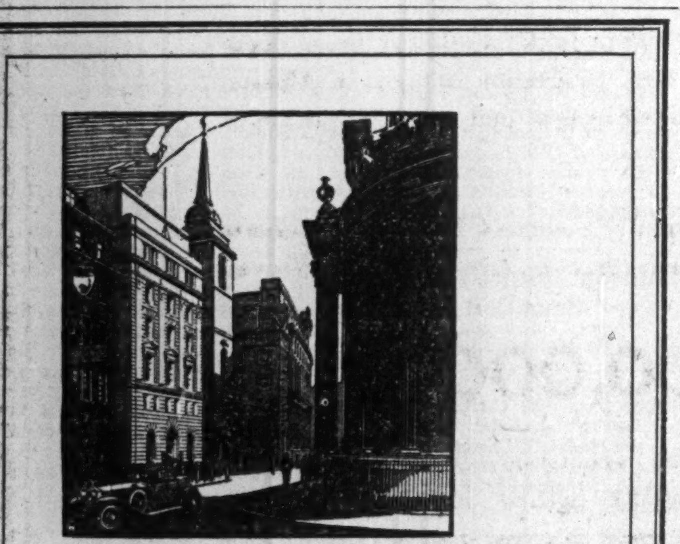
HERE and ABROAD

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These overseas offices of The Royal Bank extend to Canadian enterprise every facility, and to Canadian visitors a friendly welcome.

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OVER 600 BRANCHES IN ALL PARTS OF CANADA

Fanny Farmer Profits Up 50%

Sales and Profits Figures for First Seven Months Show Good Trend

The first monthly sales and profit figures issued in 1937 by Fanny Farmer Candy Shops show aggregate sales for the seven months ended July 31, 1937, increased 19.6% over sales in the corresponding period of 1936. Total profits for the 1937 period, amounting to $355,433, are 50.02% higher than for the same period of 1936.

If allowance is made for the Easter sales period coming in March in 1937 and April in 1936, June is the only month to show a lower profit than the corresponding month of 1936.

Sales and Profits

	1937 $	1936 $	Increase $
January:			
Sales	360,432	294,188	66,244
Profits	26,624	281	26,343
February:			
Sales	568,031	504,368	63,662
Profits	81,680	74,830	6,849
March:			
Sales	736,918	316,316	420,602
Profits	118,701	7,871	110,830
April:			
Sales	387,227	616,201	*228,974
Profits	18,088	89,300	*71,212
May:			
Sales	615,969	468,827	147,142
Profits	84,601	49,867	34,734
June:			
Sales	366,420	328,098	38,322
Profits	10,976	10,983	*7
July:			
Sales	375,407	323,038	52,369
Profits	14,563	3,489	11,074
Seven Months ended July 31:			
Sales	3,410,405	2,851,036	559,369
Profits	355,433	236,621	118,812

*Decrease.

Buywell Food Reports Profit

From Our Own Correspondent

MONTREAL. — Buywell Food Markets Ltd. reports a net profit of $4,132 for the year ended June 12, 1937. This compares with a loss of $2,633 during the previous year. The profit was utilized for additional reserve for depreciation, which reserve now stands at $27,255.

The balance sheet shows total current assets of $33,560 against current liabilities of $28,335. In his report to the shareholders, M. Zahler, commented upon the better situation in the food and chain store field in Montreal. He said it continues to be difficult to obtain a normal gross profit on sales, while higher selling prices have not brought about higher profits.

Scotia Steel Has Small Operating Net

(Continued from page 1)

for Wabana iron ore. Shipments this year are expected to exceed 1.7 million tons, the largest quantity in many years. German buyers are actively in the market. In addition, shipments to England are on the increase, while Dosco's Sydney steel plant is a heavy buyer.

With the Wabana mines as a possible major source of supply for the British iron and steel industry, Nova Scotia Steel's half interest in the property takes on considerable importance. For that reason it is thought that Dosco may be interested in making an offer for full control, but negotiations have not advanced very far along these lines.

The Sydney coal mines are a valuable asset and, as in the case of Wabana, Dosco would appear to be the logical buyer. Eastern Car is in a prosperous state. The company's cash position is strong and it has been handling a very fair volume of business since the railways re-entered the market.

Acadia Coal Co. is securing its share of the larger market for Maritime coal. No financial statement has been issued, but indications are that it is at least paying its way, with possibly something over for the parent company.

Interest in Securities

While there is no immediate prospect of a reorganization for Nova Scotia Steel, there has been a better demand for the company's securities in view of the promising outlook for the iron and steel industry as a whole. The perpetual debentures are now selling around 40½, and the first mortgage bonds at 80. There is no ready market for the preferred stock.

Terms of Enquiry Designed to Enlist Provincial Support

(Continued from page 1)

provinces to any major constitutional change.

In this fact, it may be inferred, lies the explanation of the Government's reason for making the investigation so predominantly a financial enquiry, instead of one preliminary to so-called constitutional reform. For constitutional changes based simply upon a project for constitutional reform inevitably contain within themselves the germ of controversy fatal to their acceptance.

Bid For Support

Proposals for constitutional changes based upon concrete economic considerations, however, may well prove to be another matter. Particularly if they promise greater governmental efficiency and a lessening of the burden of taxation.

Public opinion would be strong in support of such changes and provincial administrations conceivably would find it unwise, if not impossible, to resist them.

The strategy of the Federal authorities, in this connection, is looked upon as particularly astute, and the impression to which it gives rise is that the Government means business with respect to the Commission. It may be difficult to get its recommendations adopted. But at least it cannot be said in advance that it will prove impossible.

The Nation's Business

(Continued from page 1)

responsible social wreckers, Maynard in particular, assisted by Cross and Fallow. Aberhart is little more than their tool. Manning is Aberhart's devoted slave.

It is a situation that is sinister in its implications. Canada as a whole will back up Ottawa and the thrift institutions of Canada in the firm stand they have taken for the larger interests of the country.

Ottawa's action in disallowing the recent legislation that attempted to set the Alberta Legislature over the Dominion of Canada will be approved by the vast majority of the Canadian people.

* * *

Why An Election So Soon in Ontario?

THE smoke and noise of an election battle are hovering over Ontario.

Which raises a rather obvious question—why?

Since the life of a provincial government is now five years in Ontario, Premier Hepburn's term of office does not expire until midsummer, 1939. Allowing him plenty of time to choose a favorable moment to appeal to the electorate, there would seem to be at least a full year before the province should be put to the trouble and expense of a new election.

There seems to be no vital issue before the electorate at the present time that cannot as easily be debated on the hustings a year from now and, furthermore, the Hepburn Government has just nicely hit its stride in its programme of "pay-as-you-go" budget policy. It is only reasonable that the final year of strict budgetary and financial control should be the most profitable both to taxpayers and to the province at large. The natural tendency immediately before and after an election will be to loose the purse strings and operate the province's affairs in the atmosphere of largesse that usually surrounds an election campaign.

Of course, it is obvious that Mr. Hepburn is choosing the present because he believes his chances of winning the election are at their best. Farmers are harvesting bumper crops at excellent prices; Tory opposition is reputedly none too solid or formidable and Liberal luck seems to be at its zenith.

But the Hepburn administration was elected for a five-year term. Some electors may ask why they are being invited to go to the polls so soon.

* * *

Dictatorship by Legislation

THE dictatorial powers individuals have taken unto themselves in other countries have been decried by freedom-loving Anglo-Saxons as undemocratic and something which would not be tolerated in English-speaking countries. Not a few people in Canada will be shaken out of their complacency upon studying a report prepared by a committee of the Canadian Bar Association. The report says Parliament and the provincial legislatures, each in their own respective spheres, have powers which "no Tudor or Stuart would have dared to claim." This is not a haphazard opinion, but an opinion based on factual evidence. The committee cites case after case of legislation enacted, more particularly by the Dominion, Ontario, Quebec, Alberta and Manitoba, where the State has come forward as something which is above the law. The Quebec "padlock law" and the Manitoba Act to prevent strikes and lockouts in industry, are exhibited as two notable examples of the revolutionary trend in legislation. Speaking of the former, the report says it "takes away all the safeguards which even an ordinary criminal enjoys before conviction."

It is a disturbing thought when our Dominion and provincial parliaments have gone so far as to legislate against the interests of the public at large. It was never intended nor is it desirable that the State should usurp the law. Nevertheless that is what is going on in Canada and which the Bar committee describes "as a revolution which has been quietly going forward for a number of years within the framework of existing constitutional forms."

The unsettlement which has existed the world over in recent years no doubt has given birth to many of the offending acts which the committee cites. However, it is not consistent with our ideas of democracy that the State should be above the law. Rather should it be subservient as is the individual, otherwise the State will assume such dictatorial powers as are foreign to a democratic country like Canada.

Who's Who on Commission

Members of the Royal Commission which will investigate Dominion-provincial financial relations are outstanding as jurists and constitutionalists. One of the five commissioners is an economist. Four are members of the Canadian Institute for International Affairs.

Newton Wesley Rowell, chief justice of Ontario, brings to the chairmanship the cold logic which made him, years ago, a leader of the Canadian bar. He adds to his legal and constitutional attainments a practical knowledge of politics. From 1911 to 1917 he was a member of the Ontario Legislature and leader of the Liberal opposition. He joined Sir Robert Borden's wartime Union Government in 1917 as president of the Council. He was a member of the Imperial War Cabinet and represented Canada at the first assembly of the League of Nations.

Varied Interests

After retiring from politics in 1921 he continued his active interest in international affairs, in the Canadian Bar Association which he headed for two years, and his church connections. As president of the Toronto General Trust he came more directly in contact with business and finance.

His associates in business refer to his infinite patience, his tact and judgment, his capacity for hard work and his thoroughness on detail.

As a leader in the wartime movement for prohibition he lost popularity as a politician and was the object of one of the most bitter personal attacks ever delivered in parliament at Ottawa. Any ground he lost during this period he soon recovered and his appointment as chief justice a year ago was well received.

Distinguished Editor

John W. Dafoe, distinguished editor of the Winnipeg Free Press and militant foe of high tariffs, is the only controversialist appointed to the commission. He feels that the Canadian tariff structure adds oppressively to the economic load of western Canada. Recently he has been critical of the tariff policy of the King Government though he is undoubtedly Mr. King's closest journalist friend.

After the last election Mr. Dafoe refused the post of Canadian minister at Washington, He has played an active rôle in the making of cabinets and was one of the forces in wartime negotiations which led to Union Government.

His vigorous personality has found expression in books and on the platform as well as in the columns of his newspaper, sometimes termed the most Canadian paper in Canada. And with all his other interests he has found time to be the active chancellor of Manitoba University.

Constitutional Expert

Mr. Justice Thibaudeau Rinfret of the Supreme Court of Canada is the French-Canadian representative on the commission. Still in his fifties, his Lordship is one of the younger members of the court. He is an authority on constitutional law and the recent Privy Council decisions on the Bennett reform legislation in every case agreed with his judgments. One of the curious features of the present commission is that it brings together Mr. Rowell, who argued the case for the Bennett legislation's validity and Mr. Rinfret who ruled against Mr. Rowell's contentions.

Henry Forbes Angus brings training in both law and economics to the commission. He was educated at McGill and Oxford, was called to the Inner Temple Bar in 1914 and the British Columbia Bar in 1920. He joined the department of economics, University of British Columbia in 1919 and has been head of the department of economics, political science, commerce and sociology since 1930.

Robert Alexander McKay was on the staff of Upper Canada College, Toronto, in 1920-21; went to Princeton as instructor in political science, became professor of government sciences at Cornell University and in 1927 went to Dalhousie as head of the department of government and political science.

Bond Sales

Treasury Bills

The Dominion of Canada sold $25 millions of treasury bills, due Nov. 15, 1937, on Aug. 13, 1937, at an average price of 99.84166, making the average cost .636%. The last sale was made at an average cost of .633%. The Aug. 13 sale increased the balance outstanding by $5 millions to $145 millions.

* * *

Stratford, Ont.

The City of Stratford sold $70,000 of 4%, 10-installment debentures to Harrison & Co., Toronto, on Aug. 17, 1937, at 104.26, a cost basis of 3.15%. Proceeds of the issue will be used to repay housing loans received from the Ontario Government. Complete list of tenders follows:

	Bids
Harrison & Co.	104.26
J. L. Graham & Co.	103.678
Dyment, Anderson & Co.	103.53
Bank of Montreal	103.08
Dominion Securities Corp.	102.869
Wood, Gundy & Co.	102.70
R. A. Daly & Co.	102.55
Mills, Spence & Co.	102.51
Bell, Gouinlock & Co.	102.12
Matthews & Co.	101.60
McLeod, Young, Weir & Co.	101.00

Stock Listing Changed By Supersilk Hosiery

The Toronto Stock Exchange has approved the application of Supersilk Hosiery Mills Ltd. to transfer its stocks to the listed section of the exchange from the curb section. The transfer is effective Aug. 20, 1937. The listing covers 5,125 5% preference shares, 75,000 class A common shares and 25,000 class B common shares. Code abbreviations will remain SKPr and SK.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Treasury Bills	Aug. 13		...	Nov. 15, '37	25,000,000	99.84166	.633%
Municipal—							
Stratford, Ont.	Aug. 17	Harrison & Co. Ltd.	...	10-ins.	70,000	104.26	3.15%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Fabrique Ste-Catherine	Jan.	Societe Generale de Finance	4%	1938-52	275,000	*100	.....
College de North Bay	Feb.	Dube, Leblond Inc.	4%	1938-52	170,000	*100	.....
College de Jesuites	Feb.	Hamel & Fugere	3½%	1938-49	150,000	*100	.....
Fabrique St. Thimothe	Feb.	Societe Generale de Finance	4%	1-5 yrs.	25,000	*100	.....
Oratoire St. Joseph du Mont. Royal	Mar.	Hamel & Fugere	3½% 4%	1937-55 1944-55	702,000 300,000	*100 *100	.....
Congregation du Tiers-ordre Valleyfield	Mar.	Credit Anglo-Francais	3½ & 4%	1938-53	44,000	*100	.....
Fabrique de St. Lambert	Apr.	Rene T. Leclerc Inc.	4%	1938-57	45,000	*100	.....
College N. D. du Sacre-Coeur	Apr.	Hamel & Fugere	4%	1947	331,000	*101	3.88%

*Offered.

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Catholic Union Loses Support Of Duplessis

Quebec Premier's Attitude Cools Toward Labor Group

An apparent split between the Duplessis administration in Quebec and the National Catholic Union movement in that province, has come to a head with developments arising out of the strike of National Catholic Unionists in nine Dominion Textile plants in six Quebec centres.

Up until recently, persistent reports that Mr. Duplessis and his Government favored the National Catholic Unions as the recognized collective bargaining agency for Quebec workers, had been given partial substantiation by public acts and declarations. It certainly appeared that the Catholic groups were at least preferred as a lesser evil to the international unions, especially those of C.I.O. allegiance, and were being encouraged as a means of blocking international unionists and Communist labor agitators.

Militancy of Unions

The chief factor in the rift is probably the newly developed militancy of the Catholic syndicates, which was reported in The Financial Post some weeks ago. The syndicates have considerably modified their basic policy of conciliation, employer co-operation and avoidance of strikes, and gone in for active organization work, aggressive insistence upon recognition and granting of demands, and resort to strikes that in some cases have been far from tame.

It would appear that Mr. Duplessis was willing to take the syndicates under his wing as the approved units of co-operative collective bargaining, but not as truculent federations of workers demanding substantially increased benefits and ready to employ disruptive strikes. Hostility of industrial and financial interests and the general public to strikes, and to unduly militant unions, no doubt constituted a pressure not to be ignored.

Protestant Workers

Furthermore, Protestant opinion and voting power demand consideration even in Quebec. And the Catholic unions are just what their name implies — associations of Roman Catholic workers, with a Catholic chaplain to every union to see that church doctrine is adhered to. The constitution of the unions permits enrolment of non-Catholic associate members, but these have no voting power and the unions have been exclusively Catholic for many years.

In Quebec, this is both a strength and a weakness, as it gives impetus to organization in a predominantly Catholic population but shuts out the minority but substantial residue of Protestant and Jewish workers.

The Premier may well have concluded that he could not indefinitely give unqualified support to an organization that embraced Catholic workers only, and implied exclusion of Protestant workers from jobs in plants where the Catholic unions were able to enforce closed shop agreements. He no doubt has also discovered that despite the church's support of Catholic unions, numerous French-Canadian Catholic workers belong to international unions, especially in the clothing, printing and construction industries.

In any event, the Premier pointedly refrained from extending support or even sympathy to the syndicates when they called Sorel steel workers out on strike. Yet when international unions of pulp and paper workers struck at Three Rivers in protest against recognition of a Catholic syndicate as agent for Consolidated Paper workers, he and his aides in the provincial labor department hastened to attempt mediation and to settle the dispute quickly.

Recently the Premier issued an emphatic declaration that his Government would not tolerate imposition of the closed shop principle on industry in Quebec. In an increasing number of cases this year, the Catholic syndicates have been particularly insistent upon sole recognition and the closed shop.

The widespread strike in Dominion Textiles plants seems to have completed the break. Both Mr. Duplessis and his Minister of Labor have deplored the strike, the Premier characterizing it as "foolish when business is picking up." Labor Minister Tremblay has advised a return to work and echoed the company proposal that the dispute be referred to the Fair Wage Board in September.

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HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF $800,000,000

Manitoba Asked To Raise Grants

Winnipeg Suburbans Ask For Higher Relief Payments

Temporary arrangements for financing relief in Winnipeg, leaves permanent solution of the city's financial problem as far away as ever. Meanwhile members of the Winnipeg Suburban Municipal Association are agitating for an increase in the proportion of direct relief which the province pays to a level at least equal to that now received by Winnipeg.

To provide for the crisis brought on by the refusal of the banks to advance funds for direct relief in Winnipeg after the deadline on July 20, the province has agreed to increase its relief grant so that the city will only pay 20% of direct relief, plus administration costs, for the remainder of this year. The provincial government is accepting an increased loan from the Dominion and increasing its grants to the city by approximately $450,000 over the balance of 1937.

This has settled the Winnipeg situation, at least for the balance of 1937, but now representatives of Transcona, St. Boniface, St. James, St. Vital, West Kildonan, East Kildonan, Fort Garry, and Tuxedo are asking equal if not more favorable treatment. No definite figure has been announced as a basis for the request but the municipalities point out that their financial position is worse than that of Winnipeg.

In announcing the Winnipeg proposals, Premier Bracken stated that the increase in the province's relief grants to the city was only temporary and would be cut off as soon as possible. Failing suggestions from the coming Royal Commission in time to be of assistance in this case, it is the intention of the Manitoba Government to introduce legislation at the next session to enable Winnipeg to meet its own share of relief in whatever manner it chooses.

20% of Total Revenue For Relief

Estimates of the cost of relief to the city of Winnipeg in 1938 are given as $1,750,000, which is approximately 20% of the city's revenue at present. The city has been invited by the provincial government to suggest possible sources of additional revenue to meet this bill.

Some evidence of generally improved conditions in Winnipeg can be found in the increase of about $75,000 in the city-owned hydro-electric system's surplus for the first half of 1937. Actual surplus is $95,756 in 1937 to June 30 against $17,596 in the 1936 period. Total revenue of the city hydro system was $1,833,355 to June 30, 1937, compared with $1,806,886.

Waterloo, Ont. — Taxes collected by the town for the six months ended June 30, 1937, were $208,690 against $195,481 for the same period of 1936. Arrears collected were $19,563 in 1937 and $15,869 a year ago. As a result of better tax collections, bank loans were $20,000 compared with $36,000 at the end of June, 1936.

Algoma Steel Profits For the First Quarter Show Substantial Gain

(Continued from page 1)

for the company, the manufacture of centre sill bars for railway cars being undertaken by the company for the first time.

Preliminary work on the company's iron ore resources at Michipicoten has commenced with Charles Keading, well-known mining engineer in charge. Funds for this development are being advanced to the company by the Royal Bank of Canada and a bond issue may be floated at a later date. Plans call for production to commence by 1939 when the bounty of two cents per unit on iron ore granted by the Ontario Government becomes effective.

Imports 900,000 Tons of Coal

Indicative of the improvement in the company's operations is the increase in iron ore and coal imports in the current year. Coal imports from the company's mines in West Virginia in the current year will total 900,000 tons as compared with 613,000 tons last year and 716,000 tons in 1929.

Imports of iron ore from Northern Michigan also show a substantial increase, the amount being brought in this year being in excess of 400,000 tons as compared with 117,000 tons in the year ended April 30, 1937, 224,000 tons in the year ended April 30, 1936. In 1929 imports of iron ore amounted to 401,000 tons.

This huge total of coal and iron ore is being transported to the company's plants by lake boats which have been chartered from the Algoma Central Railway and the Canada Steamship Lines.

Is Expanding Coke Plant

The company's coke plant is operating at capacity and production at the present time is not sufficient to meet the company's needs. For this reason expansion of the coke plant has commenced, construction of 53 new ovens being under way. This will increase the company's capacity by 650 tons per day. A large part of the company's coke production not used in the manufacture of steel is sold to the International Nickel Co.

Comparative figures of production and coal and iron ore imports during the past two fiscal years are given below:

Production
Years Ended April 30

	1937 tons	1936 tons
Coke	422,920	355,768
Pig iron	87,975	133,638
Steel ingots	189,713	206,069
Rails	34,012	32,739
Steel products	132,705	132,705
Benzol, gals.*	1,671,112	1,350,541

*Includes light oil.

Imports

	tons	tons
Iron ore	117,001	224,469
Coal	613,017	555,277
Limestone	38,929	85,113

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.55	4.90
Can. Invest. Fund	4.70	5.05
All Can. Trustee	14.25	14.75
Trans Canada	14.30	15.30
Grouped Income	6.69	7.25
Can. Equity	13.50	....
Can. Int. Tr., modified	5.50	6.50
Do., unmodified	5.50	6.00

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Outlook for Foreign Bonds 6.

Uruguay Bondholders Get Better Treatment Under New Debt Plan

Commencing In 1938 Higher Interest is to be Paid and Sinking Fund Payments Resumed — Export Trade Improves

Arising out of negotiations conducted by the Foreign Bondholders' Protective Council Inc., of New York, a new plan of debt adjustment has been announced by the Republic of Uruguay to replace the temporary arrangement which has been in force since default occurred in 1932 and whereby interest has been paid at the rate of 3½% regardless of the rate of the original coupon.

Not only does the new arrangement provide for higher interest payments, but it eliminates the discrimination which has existed against holders of high coupon bonds resulting from payment of a flat rate to all bondholders. Furthermore, it provides for resumption of sinking fund payments which have been in default since 1932. While some authorities believe that Uruguay could pay full service on its debts the new arrangement is generally regarded as equitable, and, on the basis of present prices, the bonds would appear to hold attractions as yields are good.

Higher Interest Payments

Under the new arrangement, sinking fund payments of one-half of 1% are to be made in 1938 and 1939 and 1% annually thereafter. The two 6% loans are to bear 3¾% interest in 1938 and 1939; 4% from 1940 to 1943, and 4⅛% thereafter. Interest on the 8% bonds, due 1946, is to be at the rate of 4% in 1938 and 1939, 4¼% from 1940 to 1943, and 4½% thereafter. In the case of the 5% loan, due 1952, the current 3½% rate will be maintained.

There is little doubt as to the ability of Uruguay to pay the increased debt service called for by the new arrangement. The republic has shared to the full the business improvement which has swept over Latin-America during the past two years. Indicative of the improvement is the increase in foreign trade, exports in 1936 amounting to $90.3 millions as compared with $66.6 millions in 1933, the year previous to default. The excess of exports over imports in 1936 was $19.9 millions as compared with $1.7 million in 1933. In 1935 the excess of exports was $28.4 millions.

Exports Higher in 1937

During the current year to date export trade has shown further improvement. Largely in reflection of an increase in the value of wool shipments, exports for the first quarter of the year rose to 42.5 million pesos as compared with 30.8 million pesos in the same period of 1936. The export surplus for the period was 23.9 million pesos as against 15.9 million pesos in the corresponding period of last year. This factor, together with substantial influx of foreign capital, has eased the exchange situation considerably.

There has also been continued improvement in the fiscal position of the Government. Although estimated expenditures for the current year are lower than in 1936, revenues are expected to be higher. In each of the past three years Uruguay has had a budget surplus, the surplus in 1936 amounting to $6.2 millions. An even larger surplus is looked for in the current year. Internal debt service has been reduced somewhat as a result of conversion of $58.5 millions of internal debt in March last.

The dollar debt of Uruguay is made up of four national issues totalling $52.9 millions and two issues of the City of Montevideo amounting to $9.9 millions, making a grand total of $62.8 millions. Other external indebtedness consists of sterling bonds of £14.9 millions and a French debt of 118.6 million francs.

Comparative figures of external and internal debt are as follows:

Public Debt
As at December 31

	1936 $ 000's	1933 $ 000's
Internal	128,230	111,171
External	136,988	136,985
International	4,705	4,705
Total	269,923	252,861

Note:—External and internal debts converted at par; internal at average December rates.

Uruguay Budget
Year Ended Dec. 31, 1935

	$
Expenditures:	
Debt service	13,854,000
Social service	12,851,000
Army and Navy	11,542,000
Public works	5,559,000
Education	8,730,000
Communication	4,960,000
General	3,452,000
Justice dept.	1,640,000
Other	2,432,000
Total expenditures	66,020,000
Revenues	72,780,000

Note:—Surplus in 1936 amounted to $6.2 millions. Detailed figures for 1936 not available.

C. I. L. Declares Dividend Of $1.75 on Its Common

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has declared a dividend of $1.75 a share on the common stock, payable October 30, to shareholders of record September 30. At the same time the board has declared the usual quarterly dividend on the preferred stock.

J. Wilkinson Director Of Carnation Company

John Wilkinson, of Oconomowoc, Washington, has been elected a director of Carnation Co., filling the vacancy caused by the death of George Albers.

Mr. Wilkinson has been sales manager of the company for 11 years.

Inter. Hydro Net Above 1936

2nd Quarter Profit $480,117 as Against Only $58,331 Last Year

From Our Own Correspondent

MONTREAL.—Net earnings of International Hydro Electric System for the second quarter of 1937 totalled nearly $8.4 millions, compared with less than $8.1 millions in second quarter last year. After all deductions net profit of the period was $480,117. This contrasts with $58,331 reported for the second quarter of 1936.

The improvement reflects increases in the earnings of both Canadian and United States properties, with the New England Power Association group accounting for about two thirds of the gain. The consolidated net earnings for the second quarter were because of "better than normal" water conditions. During the six months ended June 30, a total of $404,000 has been set aside in a special reserve which will be available during the remaining months of the year to equalize generating costs.

Subsidiary Income Nil

The profit and loss statements, which follow, are consolidated statements.

Income of the system as a separate entity during the first half of 1937 amounted to $209,785, as against expenses and interest charges aggregating $881,998. The excess of outgo over income was met out of cash on hand. Cash resources of the system were augmented during the period by the sale by a wholly owned subsidiary of two undeveloped water power properties in Maine, bringing the total cash available to the system at the end of June last to $1,960,000.

Quarter Ended June 30

	1937 $	1936 $
Oper. revenue	15,540,942	14,741,986
Other income	888,478	772,742
Total revenue	16,429,421	15,514,728
Oper. expense	5,186,461	4,740,530
Maintenance	919,145	985,175
*Taxes	1,949,127	1,718,663
Net earning	8,374,686	8,070,360
Subs. b. interest	2,914,085	3,187,961
I. H. E. debs. int.	398,520	398,520
Amortization	244,281	222,696
Depreciation	1,306,137	1,384,047
Inc. taxes	614,125	465,414
Dividends paid	1,884,987	1,553,564
Divids. accrued	255,104	586,574
Minority interest	271,326	213,520
Other charges	6,000	......
Net profit	480,117	58,331

*Other than income taxes.

12 Months Ended June 30

	1937 $	1936 $
Oper. revenue	62,872,921	60,449,173
Other income	3,072,383	3,346,782
Total revenue	65,945,304	63,795,956
Oper. expenses	20,679,632	20,054,405
Maintenance	3,806,287	3,892,775
*Taxes	7,497,788	7,176,410
Net earnings	33,961,596	32,672,365
Subs. b. interest	11,824,400	12,904,833
I. H. E. deb. int.	1,594,080	1,597,364
Amortization	946,071	924,861
Depreciation	5,507,594	5,345,067
Income taxes	1,860,311	1,689,564
Undis. profit tax	3,586	......
Divds. on subs.	7,609,358	6,588,770
Divds. accrued	950,943	1,971,993
Min. interest	1,362,630	974,491
Other charges	437,498	......
Net profit	1,865,120	675,418

*Other than income taxes.

Newsprint Output Continues To Run Well Ahead of 1936

From Our Own Correspondent

MONTREAL.—Newsprint production continues to run at a record level, Canadian mills producing 314,529 tons in July, 1937, compared with 274,627 tons a year ago, according to returns compiled by the Newsprint Service Bureau. Shipments for last month amounted to 301,850 tons, compared with 271,194 tons in July, 1936.

American mills turned out 78,205 tons last month and shipped 79,759 tons, an improvement of about 5,000 tons as regards production and shipments compared with the same month last year.

During July 30,093 tons of newsprint were made in Newfoundland, as against 29,246 tons in 1936.

Well Ahead of 1936

There was no production in Mexico during July, so that the total North American production for the month was 422,827 tons, as against 375,369 tons last year.

It will not be possible to say how much of the increased production actually reflects consumption, until the returns are available on publishers' stocks and newsprint in transit. Recent reports have indicated that the publishers are stocking up on newsprint in anticipation of the usual seasonal increase in the late fall and winter consumption.

Manufacturers' stocks at the end of July showed no material change, Canadian mills reporting 79,993 tons and American mills 13,090 tons, or a total of 93,083. This contrasts with 95,287 tons at the end of July last year and 81,958 tons at the end of June, 1937.

Good Cumulative Gains

Cumulative returns for the first seven months showed the Canadian mills produced 335,157 tons more than in the same period in 1936, an increase of 19%. The output in the United States was 14,752 tons, or 2.8% more than in 1936; and in Newfoundland, 25,282 tons, or 13.8% increase; making a total North American increase of 375,191 tons, or 15.1%.

Can. Cement Dividend Rises

Quarterly Rate on Preferred Moves Up to $1.25 From $1

From Our Own Correspondent

MONTREAL.—Canada Cement Co. has increased the dividend on its 6½% preferred stock, with the current quarterly declaration of $1.25 a share, payable Sept 30 to shareholders of record Aug. 31.

Regular dividends at the 6½% rate were deferred after June 30, 1932, and resumed with a quarterly payment of $1 a share on March 20 last. Similar dividend was paid on June 21.

After the forthcoming payment, cumulative arrears on the preferred stock will amount to $30.87½ a share.

The new rate, would indicate that earnings this year will run at least $4 a share as compared with $3.30 in 1936.

Dominion Gas Earnings Hold

Interest Charges Covered on Similar Basis to Last Year

In an interim report for the year ended June 30, 1937, Dominion Gas & Electric Co. shows earnings sufficient to cover interest charges 1.94 times after depreciation, compared with 1.97 times in the preceding year.

The statements for 12-month periods ended June 30 indicate that this year's earnings are holding closely to those of the company's 1936 year when interest was finally covered 1.63 times after depreciation.

Working capital at June 30, 1937 amounted to $1,055,890, compared with $988,363 at Dec. 31, 1936.

The company's principle operating subsidiaries, and controlled companies, are Canadian Western Natural Gas, Light, Heat & Power Co., Edmonton Utilities Ltd., Canadian Utilities, Northwestern Utilities, operating chiefly in Alberta. Dominion Gas receives most of its income from dividends paid by operating companies after their senior charges.

Income and Surplus Account
Years Ended June 30

	1937 $	1936 $
Oper. rev.	4,231,343	4,454,858
Less: Oper. exps.	2,623,330	2,561,331
Net oper. inc.	1,698,013	1,893,527
Add: Other income	28,578	17,501
Net earnings	1,726,591	1,911,028
Less: Deprec. & amort.	449,531	493,047
	1,277,060	1,417,981
Prior chgs. of subsids.:		
Int. on funded debt	294,131	237,991
Int. on unfunded debt	39,308	27,891
Dom. inc. tax	151,611	181,929
Amort. disc. & exps.	29,832	28,334
D. of C. tax on divds. rec.	13,513	13,474
Divds. on pref.	216,493	219,206
Min. int. in earns.	1,993	18,756
	519,179	690,400
Less: Int. on coll. tr. bonds	256,522	334,655
Int. on unfunded debt	5,554	13,548
Taxes on bd. int.	5,305	2,846
Loss on exch.	178	2,430
Net profit	251,620	336,921

Sherbrooke Corp. To Cut Interest

Reorganization Plan to be Considered by Bondholders on Sept. 17

From Our Own Correspondent

MONTREAL.—A meeting of holders of the 6½% first mortgage bonds of Sherbrooke Realty Corp. has been called for Sept. 17 to consider a plan of reorganization which calls for an adjustment of default of the bonds and a reduction in the rate of interest.

Under the provisions of the plan the rate of interest on the present 6½% first mortgage bonds is to be reduced to 3½% per annum from May 1, 1937, to April 30, 1942, and thereafter to 4%. Interest is to be paid semi-annually commencing Nov. 1, 1937. Principal and interest on the new bonds are to be paid in Canadian funds only whereas the present bonds are payable in Canadian or U.S. funds.

Maturity of the bonds is to be extended from Nov. 1, 1940 to May 1, 1952.

All claims for interest and sinking fund payments due and unpaid up to May 1, 1937, are to be cancelled.

Change Share Capital

The plan also provides that the second mortgage income bonds totalling $150,000 shall be discharged and promissory notes in principal amount of $11,787 and all accrued interest cancelled.

Share capital of the company is to be reorganized so that it will consist of 6,009 common shares, par value $5 each. Holders of first mortgage bonds are to receive 1,190 shares on the basis of one share for each $500 principal amount of bonds. The balance of the shares are to be issued to holders of the second mortgage income bonds and to holders of the present preferred and common stock of the company.

Want to Study Brown Co. Plan

Committee Asks Bondholders Withhold Acceptance for Time

From Our Own Correspondent

MONTREAL. — Pending further study of the proposed plan to reorganize Brown Co., pulp manufacturers, a bondholders' protective committee has asked bondholders to withhold acceptance.

In a letter to bondholders from the committee, of which Charles Francis Adams, Boston financier, is chairman, it was stated that neither the committee nor the trustees of the Brown Co., as such, have had any part in the preparation of the filing of the reorganization plan.

Object to More Debt

The bondholders' committee claims "that debt and fixed interest charges of the reorganized company are being materially increased and a substantial part of the new debt bears early maturity." Further the committee said that the plan "would appear to be predicated upon the success of the proposed expansion programme."

"The bondholders, whose security includes all of the stock of the valuable Canadian subsidiary, are being asked to subordinate their rights to an issue of $6,500,000 additional first mortgage bonds of the Canadian subsidiary."

Has Substantial Backing

The committee claims to represent holders of nearly 45% of the company's approximately $21.5 millions of first mortgage bonds.

The reorganization proposal calls for raising $12.5 millions for working capital and expansion, the new financing to be underwritten by Wood, Gundy & Co., and McLeod, Young, Weir & Co.

Dosco Pays Bond Arrears

Shareholders Approve Increase in Capital Stock Issue

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. have deposited with the National Trust Co., trustee, an amount sufficient to pay on Sept. 1, all arrears of interest, plus the current coupon on the corporation's 6¼% cumulative participating income bonds. The payment will amount to 8¼%, make up of 3⅛% current, plus 5⅛% arrears.

On the basis of the bonds outstanding at the end of last year, this payment will call for the distribution of $363,660.

Shareholders of Dosco have sanctioned the by-law, previously approved by the directors, increasing the authorized capital by addition of 80,000 class B shares.

The reason for the increase in share capital was explained by Arthur Cross, president, who stated that the step grew out of the recently announced agreement to purchase four Canadian subsidiaries of the United States Steel Corp. He said that the vendors received bonds, carrying an option, exercisable over a period of four years, of conversion into common stock. It is to provide for possible exercise of these conversion rights that the authorized capital is being increased.

Complete details of purchase of the United States Steel's subsidiaries have not been announced by Dosco. It was made known, however, that approximately $2 million in bonds have been transferred to United States Steel Corp. as part payment.

Quinte and Trent Assets for Sale

Holders of 6% first mortgage bonds of Quinte and Trent Valley Power Co. are to meet in Toronto Sept. 10 to consider sale of the enterprise to the Hydro-Electric Power Commission of Ontario for $325,000 payable by Oct. 1, 1937.

In addition to sale of water power rights and plants to the Ontario Hydro, bondholders are to consider sale of remaining assets on such terms as may be approved by the president of the company. These assets include $75,000 of 6% income notes of Robert Gair Co. and certain used generators and transformers which have a value not exceeding $5,000.

If the sale plan is adopted, the company would turn all cash and accounts receivable, amounting to approximately $76,500, over to the trustee for bondholders. As other assets are liquidated, receipts would be turned over to the trustee who would pay the expenses of liquidation. After all expenses, the trustee would distribute to bondholders the remaining proceeds, on a pro rata basis, up to the total amount owing to bondholders which, on July 1, 1937, amounted to $965,316.

It appears that the total proceeds are unlikely to exceed $480,000. After payment of all expenses, it is understood that bondholders will be entitled to 40 cents on the dollar, or perhaps slightly more, for their total claims, including arrears of interest.

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EXPERIENCED management is of vital importance in all business matters — it is essential in handling estates, trusts, investments and other financial matters.

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We shall gladly explain our services and charges to any one interested.

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393 St. James Street

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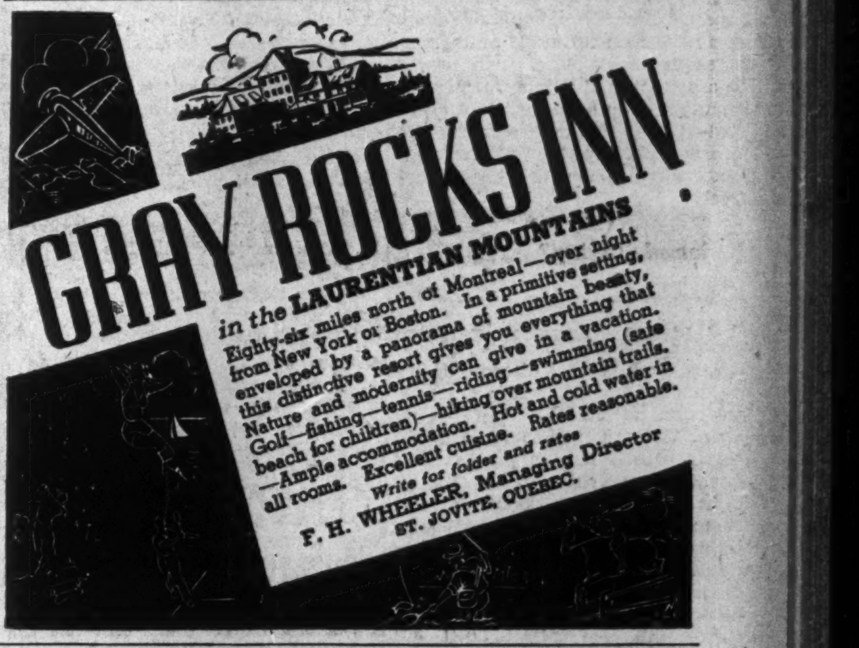


GRAY ROCKS INN

in the LAURENTIAN MOUNTAINS

Eighty-six miles north of Montreal—over night from New York or Boston. In a primitive setting, enveloped by a panorama of mountain beauty, this distinctive resort gives you everything that Nature and modernity can give in a vacation. Golf—fishing—tennis—riding—swimming (safe beach for children)—hiking over mountain trails. —Ample accommodation. Hot and cold water in all rooms. Excellent cuisine. Rates reasonable.

Write for folder and rates

F. H. WHEELER, Managing Director
ST. JOVITE, QUEBEC.

Montreal Brokers' Loans 85% Above 1936 Figures

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange on July 31 totalled $37.7 millions, a slight decline from the previous month when loans totalled $37.4 millions. At the end of July a year ago borrowings totalled $20.8 millions.

These returns do not include loans of foreign securities, but only borrowings of members of the Montreal Stock Exchange on Canadian securities. Nor do they include the borrowings of bond affiliate companies of Stock Exchange members.

STARRATT AIRWAYS and TRANSPORTATION LTD.
REGISTRATION OFFICE

Starratt Airways & Transportation, Ltd., Hudson, Ont., operates this new International Model D-2 Pick-Up at the Starratt airplane base at Kenora, Man.

New Beauty—New Economy—New Performance
In the New INTERNATIONALS

In lines and appearance these new Internationals are new. Very new. But these trucks are not new in appearance alone. Performance has been improved as well as appearance.

If you have been an International owner you have been pleased with the appearance of your Internationals on the job. You have been pleased with the profitable hauling figures they have put on your books. And you will be even more pleased with the appearance and the performance of these new Internationals.

No matter what your hauling requirements may be, there is a truck in this new International Line built to meet your needs exactly. Without the slightest obligation, we would like to send you a catalog illustrating the new International Trucks. Or visit the nearest showroom and see these new Internationals for yourself.

INTERNATIONAL HARVESTER COMPANY
HAMILTON of Canada, Ltd. ONTARIO

INTERNATIONAL TRUCKS

ALBERTA Scores a New High Value of Farm Production Since 1929!

Phenomenal rainfall in the latter half of July, followed by warm ripening weather, has changed completely the farm production outlook in Alberta. The pessimism of mid-July has been replaced by a soundly based optimism of mid-August.

Soundly based—because authoritative estimates forecast for Alberta this year a larger cash value of farm products than in any of the past seven years—a cash value of

$170,000,000

Harvest is well under way. The wheat yield alone is estimated variously at from 67,000,000 to 80,000,000 bushels. If present prospects are realized Alberta will produce more wheat this year than any other Canadian province. Equally encouraging is the outlook for other field and root crops and for livestock. This, with a firm market for grains, cattle and hogs assures large purchasing power in the Edmonton Retail Market, centre of the huge mixed farming area of the Province, with a population in its Retail Trading Zone (A.B.C.) of 308,820.

Value of Alberta's Farm Products 1930-1937

1930	$161,162,283
1931	148,048,008
1932	130,446,626
1933	119,899,563
1934	157,946,044
1935	143,200,429
1936	157,332,520
1937 (Est.)	170,000,000

Manufacturers and others with goods to sell in Alberta should help to ensure their share of good fall business now assured by telling their story through the

Edmonton Journal
"ONE OF CANADA'S GREAT NEWSPAPERS"

Investment Trends

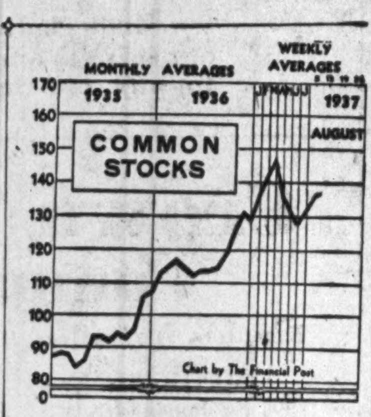
Temporary Recession May Halt Stock Rally

Clue to Real Price Trend Expected to Develop When Current Period of Strength Ends—Long Term Prediction Favorable

It is suggested by one market service that the current rally of stocks will carry averages for industrial shares in New York a few points higher. Then, a temporary recession or at least a week or two of hesitation would be regarded as normal.

The test of whether prices have definitely turned into another rising trend is expected to develop when the current period of strength has run its course.

The rise in prices for raw materials has re-established purchasing power and started to stimulate investment in countries producing primary goods. An example is the renewed vigor of pulp and paper in Canada. The general effect of these rising prices is to provide income where it has been badly needed and is expected to contribute further to the international recovery. This is one of the main reasons that investment analysts continue of the opinion that the longer term outlook is still good for select common shares.



Conflict of Trends

Montreal and Toronto stock exchange averages have broken above the recent limits of the trading range, in which prices have been fluctuating for several weeks. The Montreal figure has risen through 110 and the Toronto average has broken the 166 level. The implication would appear to be that prices may rise further in Canadian markets. However, the recovery from the spring slump has been under way since July 1 in New York and market analysts suggest that the New York trend may now run into delay or even decline.

Thus, there may be a conflict of trends. Toronto and Montreal industrial shares appear to have started to rise from the low levels of late June. In New York, industrial averages have been definitely an the rise for seven weeks. Whether there will be a setback and a delay before resumption of an advance is not clear. And it may be that markets are already starting the autumn advance that has been predicted rather freely.

* * *

Renewed Buying?

Because the flow of foreign funds into American securities over the past two years contributed to the rise of stocks on Wall Street, considerable stock market discussion now centres around the possibility of resumption of such foreign investment. The principal factors that recently caused foreign purchases of American securities to dwindle almost to the vanishing point have been: (1) fear of heavy taxation on foreign holdings; (2) possibility of reduction in the value of gold; (3) the strain produced by the decline of commodity and stock prices earlier this year. Mostly, these influences have passed.

Recent advices from London, Amsterdam and Paris are regarded as optimistic on the possibility of renewed outside buying in Wall Street, particularly because of postponement of the Washington proposal to raise taxes on outside investments. With faith in further strong economic recovery in the United States, and nervousness over European uncertainties, there is a tendency to the belief that outside funds will once more flow to New York.

The effect of a renewed flow of investment funds from Europe to the United States in the later months of the year would naturally be to strengthen stock prices. Since Canadian market movements depend to a considerable extent upon American trends, there would probably be a direct influence in Canadian stock prices.

* * *

Guarded Optimism

A well-informed Canadian investment man with a thorough knowledge of the fundamental economic conditions that cause stock markets to go up and down, suggests that it would be unwise to be too optimistic in this fifth year of recovery. He expresses some scepticism of the stock market as a whole, although still hopeful regarding prospects for higher prices in steel and construction shares.

Every time there is a declining trend in stock prices, there is the possibility, however remote it may seem, that the price trend is turning to another major slump. The weight of informed opinion, however, is that the recent recession of prices from which we have been recovering for the last few weeks, was temporary. Commenting on the decline of stocks from March to June of this year, the Cleveland Trust Co. says that it was "not in any way unusual," that it was merely "an average specimen of a familiar phenomenon." It is pointed out that investors and speculators keep forgetting that such temporary declines are not unusual in the history of rising stock markets and that there is always a search for explanations to account for such unexpected and unwelcome declines in share prices.

It is a peculiarity of stock market psychology that there always seem to be a lot of reasons why things are bad when stocks decline, but after they have risen materially, there are always many reasons why they should go higher. The fact is, of course, that an end comes to every decline and that every advance, sooner or later, must recede from its peak.

It does not yet appear that the international recovery which has raised share prices has reached its zenith.

Mortgage Debentures Redeemed by C.S.L.

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines has redeemed all of its outstanding 5% consolidated first mortgage debenture stock, due 1943, at 105 and accrued interest. This is in accordance with the plan of capital reorganization recently approved by the security holders.

No new financing was undertaken by the company to carry through this transaction.

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Bulwark of Power

In laboratories throughout the world, men are ceaselessly seeking new methods in which electrical energy can be utilized. Scientific genius and its practical application is one of the strongest bulwarks of the power industry; back of the electrical power lines which are constantly reaching out into new fields lies the unwavering research work of engineers and scientists.

Their task is never ending—the electrical industry, tremendous as its growth has been in the past, holds promise of expansion just as great, if not greater, in the future.

We recommend

POWER CORPORATION OF CANADA

4½% Debentures, due 1959 Approx. Yield 4.40%

6% Preferred Stock Approx. Yield 5.90%

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Port Royal Co. Raising Capital

$625,000 of Serial Bonds Will Retire Old Issue And Cover Expansion

From Our Own Correspondent

MONTREAL.—Port Royal Pulp & Paper Co. Fairville, N.B., is raising additional capital through the sale of $625,000 of 5% first mortgage serial bonds. The proceeds of the issue will be used by the company to retire the present outstanding issue of $350,000 of 5% serial bonds; to cover capital expenditures made in connection with changing over the plant for the manufacture of rayon pulp; and for general corporate purposes.

New contracts have been entered into by the company for its entire output from July 1, 1937, to Dec. 31, 1938, at a substantially higher price than at which output of the plant was being sold prior to July 1. At the new contract price it is estimated that net operating profits for 12 months ended May 31, 1938, will amount to over $300,000 before provision for depreciation and income tax. This contrasts with earnings of $163,194 on the same basis during year ended May 31, 1937.

$625,000
Port Royal Pulp and Paper Co.
5% first mortgage serial bonds

Dated: Sept. 1, 1937.
Mature: Dec. 1, 1937 to Sept. 1, 1941.
Payable in Canadian funds only.
Redemption — Redeemable on 30 days notice at 101.

Capital—	Authorized	Issued
1st mtge. bonds	$800,000	$800,000
Common shs., n.p.v.	50,000 shs.	40,545 shs.

$175,000 of serial bonds, maturing Sept. 1, 1941 to Sept. 1, 1942, are to be deposited to secure delivery by the company of 10,000 short tons of rayon sulphite pulp to purchasers thereof during first half of 1938. As deliveries of pulp are made, bonds so deposited will be returned to the company for cancellation.

Company—Organized in 1932 to take over mill formerly owned by Nashwaak Pulp and Paper Co. Mill is being operated at capacity, production is running between 33,000 and 35,000 tons annually.

Assets — Upon completion of present financing, fixed assets, plus additions, will amount to approximately $731,800 and net current assets $607,000. Properties are estimated to have replacement value in excess of $2 millions.

Insurance — The company carries $1.5 million of insurance, intention to increase to $2 millions.

Offered—Eastern Securities Co. at 101 and accrued interest.

Pressed Metals Plans Stock Offer at $25

Pressed Metals of America Inc. announces that it will apply to the U.S. Securities and Exchange Commission for authority to issue rights to shareholders to purchase one new share at $25 for each 10 shares held

The company hopes that approval will be obtained and the offer made some time in October. If fully subscribed the issue would net the company approximately $310,000.

The company's business volume and earnings have risen sharply, accompanying increased activity in automobile production, for which the company supplies parts.

Margin Basis Is Amended

From Our Own Correspondent

Toronto Stock Exchange, Mont- Stock Exchange and Montreal Curb Market have announced an amendment in minimum margin requirements as applying to stocks selling at $1 per share and under $3 per share. Effective Sept. 1, next, 50% of the selling price with a minimum margin of 65 cents per share must be maintained on such stocks.

The schedule of margin requirements as amended follows: Stocks selling under $1—cash; stocks selling at $1 and under $3—50% of selling price, with a minimum margin of 65 cents per share; stocks selling at $3 and under $10—40% of selling price; stocks selling at $10 and over —35% of selling price.

Louisiana Land Earnings Drop

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co., whose stock is listed on the Montreal Stock Exchange, reports a net income for the second quarter of 1937 of $468,000, or 16 cents a share. This contrasts with $540,600, or 18 cents a share in the previous quarter.

Income accounts for the first two quarters of 1937 follow:

	2nd quar. $	1st quar. $
Net oper. and royalty income	795,900	773,600
Geophysical & admin. exps., lease rentals, taxes, etc.	253,800	163,400
Gross revenue	542,100	610,200
Other income	600	1,000
Net revenue	542,700	611,200
Deprec. & deplet.	74,700	70,600
Net profit	468,000	540,600

Halifax Power and Pulp Makes Wage Agreement

MONTREAL.—Halifax Power & Pulp Co. has entered into an agreement with the International Brotherhood of Pulp, Sulphite and Paper Mill workers.

The agreement which comes into effect on Sept. 1 will provide for an eight-hour day at the Sheet Harbor plant, replacing the 11- and 14-hour day in force at present.

Daily rates of wage will remain the same, $3.60 maximum, with the result that workers, after Sept. 1, will receive an increase in the hourly rate of 50% for tool workers and 25% for day workers. It also will mean the employment of another shift, increasing the staff by approximately one-third. Time and a half will be paid for overtime over 10 hours for day workers and for all workers on Sundays and holidays.

St. Alexis-de-la-Grande-Baie, Que.—Quebec municipal commission has informed creditors that interest due in June, 1934, on bonds of the village of St. Alexis-de-la-Grande-Baie, Chicoutimi county, Quebec, is now being paid.

Investment Notes

Dosco—In view of the company's better showing, reports are that the 6¼% income bonds may be called. This issue can be redeemed on 60 days notice at 110 and accrued interest. As all arrears have been provided for, the issue can be called with payment of the 10% premium plus current interest.

* * *

Canadian Cottons—Stock has held steady despite disturbance caused by strike in Cornwall mills. Recent sales have gone through at 90. Prospects are earnings will not be seriously affected if strike is settled in near future.

* * *

Canada Cement — Higher prices are being talked for Canada Cement preferred. The issue is now selling around 110. The dividend has been raised to $1.25 quarterly. There are still fairly substantial arrears.

* * *

Distillers—Lack of interest in the "alcohol" group is reflected in the market price of 84 for Distillers Corp.-Seagrams 5% preferred stock. This stock is well secured and earnings are above requirements.

* * *

Quebec Power — Current market price gives a flat return of 5% on the common stock. Interim reports indicate earnings on a satisfactory basis. However, investors have not yet got over the fright caused by exaggerated stories of what was going to happen to private utilities when the Government changed.

* * *

General Steel Wares — Common stock advanced several points in value this week on the report that the plan of capital reorganization is appreciably closer. It is known that the management has been giving consideration to the matter for some time and in view of better earnings, liquidation of the preferred dividend arrears and resumption of regular payments is desirable.

* * *

Sherwin-Williams—Indications are that earnings for the year ended this month will be well ahead of the preceding 12 months, when the company earned $7.43 a share on its preferred. The regular dividend is being paid and it is possible that some action will be taken before long to clean up arrears.

* * *

Consolidated Paper — Trading in the common stock continues on a fairly heavy scale. No prospect of a dividend for some time to come. However, company is doing much better and should report a nice increase in earnings this year.

* * *

International Nickel—In the three months ended June 30, 1937, Railway & Light Securities Co., New York, increased its holdings of International Nickel from 1,500 to 2,500 shares.

* * *

Int. Paper & Power—In assenting to the reorganization plan, the U. S. Securities & Exchange Commission comments: "Present and estimated earning power indicates a probability that the preferred stock dividend requirement of $5 per share, or approximately $4.6 millions a year, will not prove to be unduly burdensome."

* * *

Dome Mines—In June, Alexander Fasken, secretary, increased his holdings from 1,558 to 1,658 shares.

* * *

Hudson Bay Mining — Alexander J. McNab, vice-president, increased his holdings from 3,217 to 4,217 shares in the last week of June, according to reports of the U. S. Securities and Exchange Commission, abbreviated S.E.C.

* * *

McIntyre Porcupine—President J. P. Bickell is recorded by the S.E.C. as holding 12,500 shares on July 1.

* * *

Walker-G. & W.—H. C. Hatch, chairman of the board, in June added 2,315 shares to his holdings, the S.E.C. reports. At the end of June, he held a total of 45,293 shares, 22,513 himself and the rest through a holding company. W. J. Hume, president, acquired 3,315 shares in June, bringing his total holdings to 36,641 shares. Of those, he held 32,114 shares himself and the remaining 4,527 shares through a holding company.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	107.8	205.4	281.1	107.6	131.7	166.0	106.3
Low	39.2	3.0	37.7	67.7	30.6	76.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	66.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.6	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.5	88.1	94.0	64.1	136.2
May	151.3	36.5	109.4	220.6	77.5	178.5	128.4	186.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
Weekly Figures, 1937:												
July 1 ..	143.4	35.9	102.5	216.6	77.3	176.4	126.3	179.3	83.4	90.9	62.5	127.7
July 8 ..	146.0	41.3	104.5	221.2	78.3	179.5	132.6	186.1	85.6	90.6	63.3	131.4
July 15 ..	148.4	40.4	103.4	221.6	79.3	181.5	135.0	190.1	86.3	90.6	63.1	131.9
July 22 ..	149.0	40.7	101.1	223.4	79.9	182.4	137.4	186.3	86.3	89.9	63.7	133.7
July 29 ..	147.1	39.0	99.8	222.8	81.6	183.5	137.8	186.8	90.1	90.0	64.8	134.7
Aug. 5 ..	150.6	38.7	98.7	225.0	80.6	182.0	137.1	188.4	91.9	90.2	66.2	135.7
Aug. 12 ..	152.6	40.6	99.1	223.3	79.7	182.9	137.5	192.9	92.9	90.5	66.9	136.7

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 17	167.09	128.03	173.64
Aug. 16	167.26	129.38	176.50
Aug. 14	166.16	128.49	175.41
Aug. 13	167.12	127.11	175.71
Aug. 12	163.63	123.47	174.19
Aug. 11	166.09	122.75	174.06
Month ago ..	164.73	121.16	161.49
Year ago	134.38	142.66	149.57
High, 1937 ...	187.67	166.50	215.36
Low, 1937 ...	157.65	107.53	141.97

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 17	81.4	112.1	102.5
Aug. 16	82.0	112.6	103.1
Aug. 14	82.2	114.5	103.6
Aug. 13	82.3	113.6	103.2
Aug. 12	82.4	112.8	102.7
Aug. 11	82.2	110.6	101.7
Month ago ...	80.6	106.0	98.9
Year ago	70.6	76.5	72.6
High, 1937 ...	92.6	122.8	109.5
Low, 1937	74.6	100.3	92.3

Tor. Elevators Profits Better

Diversification and Good Ontario Crop Strengthen Position

In contrast with elevator companies generally, Toronto Elevators Ltd. is expected to show a fair improvement in profits when its report for the year ended July 31, 1937, appears in September. Auditors are working on the statement now and final figures for the year are not yet available. Shareholders, some of whom have been somewhat perturbed by the recent succession of unfavorable news about Canadian elevator companies operating in western Canada, are likely to find the coming report reassuring.

Prospect for the smallest Canadian wheat crop in years is not the cause for worry to Toronto Elevators that it is to most elevator companies. It is true that they will miss the storage and handling revenue that would have come from a large crop in western Canada but a bumper crop in Ontario will help earnings for the year which ends July 31, 1938.

Business Diversified

Unlike most elevator companies, Toronto Elevators obtains its revenue from a number of sources and this diversification will show its value in the current year's operations. Handling of Ontario-grown grains is an important source of revenue and the yield in this province promises to be considerably above the average.

Much of the Ontario wheat crop is marketed directly to local flour and feed mills but the terminal storage elevators obtain a fair share of this business. Corn is also imported and stored both for use in the company's feed business and for distribution to other users.

Toronto Elevators has a growing source of profit in the manufacture and sale to farmers of its line of "Master Feeds." Chief market for feeds is in Ontario but the company is making some headway in getting a share of the Quebec market as well.

Increasing Capacity

Work has started on an addition to the company's feed mill at Toronto which will more than double its capacity. This addition is to cost $300,000 and, with the existing plant, it is understood that the company's total investment in its feed plant will be well over $400,000.

The cost of the $300,000 addition is being met out of current funds. In March, 1937, sale of the new 5¼% preferred stock provided Toronto Elevators with about $775,000 of new money. Bank loans were paid off with $300,000 of this money and the balance went to strengthen the company's liquid position.

An effort was made to pay the city of Sarnia loan, which amounted to $590,775 in May, 1937, but legal difficulties compelled the postponement of this proposal. It is understood, however, that the idea has not been entirely abandoned and that the expenditure of $300,000 for a new feed mill would not prevent the company from paying this loan if such action was convenient or advisable.

Better Liquid Position

Improvement in liquid position of Toronto Elevators, which is expected to be seen when the annual report appears, will come from the new capital raised, payment of bank loans, and depreciation charges which have not all been expended on repairs or improvements to the plant.

Last year Toronto Elevators had a balance of $81,282 available for dividends on its common stock. Since that time, however, the outstanding common has been increased from 25,426 to 52,318 through conversion of the old 7% preferred. In order to maintain earnings at the same rate as last year on the common ($3.20 a share) net profits would have to be more than double those for the year ended July 31, 1936. Allowing for the changes in capital last year's earnings would have been $2.80 a share on the common instead of $3.20 actually reported.

Canadian Governments Do Financing at Home

From Our Own Correspondent

MONTREAL.—An important feature of bond financing by the Dominion and Provincial Governments during recent years has been the large amount of financing done in the domestic market as compared with predepression years.

Prior to 1930 a large portion of the issues offered by the Dominion and Provincial Governments were sold in the New York and London markets or at least were payable in U. S. or sterling currency. In recent years, however, Canadian Governments have been financing their requirements in the domestic market as far as possible. Refunding of large issues maturing in New York and London has even been carried out in some cases through sale of issues in Canada payable in Canadian funds only.

Repatriation of Bonds

As a result of this trend a large amount of Canadian Government bonds have been repatriated in recent years. Even greater, however, has been the increase in the proportion of Government bonds payable in Canadian funds only.

According to figures released by the Bank of Canada there was an increase of $205.4 millions in 1936 in Dominion, C.N.R. and provincial bonds payable in Canada only. At the same time the amount of these bonds payable in foreign currencies declined by $64.3 millions. During the first half of 1937 the increase in Canadian Government bonds payable in Canada was $45.9 millions and the decrease in bonds payable in other currencies $33.6 millions.

73% Payable in Canada

Of the direct debt of the Dominion Government, 73% is payable in Canadian funds. A large proportion of C.N.R. bonds, however, are payable in London and New York. The provinces, with the exception of Prince Edward Island and Quebec, have a large amount of bonds payable outside of Canada.

One reason for the present trend is the large amount which governments and corporations had to pay for exchange during the early years of the depression, when the Canadian dollar depreciated in terms of the U. S. dollar.

Shown in the table below is the amount of Dominion of Canada, C.N.R. and provincial bonds outstanding as at June 30, 1937, classified as to place of payment.

Value of Canadian Bonds Outstanding* and Where Payable
(In Millions of Dollars)

	Can.	Can. or N.Y.	N.Y.	Can. or Lon.	Lon.	Can., N.Y. or Lon.	Lon. or Paris	Total
Dominion	2,338.5	...	449.0	...	400.9	...	...	3,187.4
C.N.R. (Guar't'd)..	241.9	65.0	24.2	3.3	286.5	351.5	...	972.2
C.N.R. (Ung't'd)..	1.3	17.2	16.9	97.1	36.4	63.6	...	232.5
Other Dom. Gr't'd	1.6	0.7	...	...	...	28.6	...	30.9
Prince Edward Is.	6.1	...	...	0.5	...	...	...	6.6
Nova Scotia	37.0	40.6	...	...	5.7	...	...	83.3
New Brunswick ..	42.3	25.3	...	6.0	4.0	...	...	77.6
Quebec	181.7	20.0	...	...	3.7	15.0	4.7	225.1
Ontario	264.6	50.4	...	...	5.9	238.6	...	559.5
Manitoba	29.5	42.5	0.3	11.1	8.2	3.5	...	95.0
Saskatchewan	55.4	52.5	...	10.0	...	4.7	...	123.5
Alberta	39.0	50.0	...	4.0	15.3	19.0	...	128.1
British Columbia .	30.7	64.7	...	30.2	24.5	4.0	...	143.1
Total	3,330.1	456.9	492.3	153.0	802.1	728.7	4.7	5,967.8

*June 30, 1937.

Quebec Power Company

4% First Mortgage and Collateral Trust Bonds
Due September 1st, 1962
Price: 98.50 and interest,
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Quebec Power Company's net earnings after depreciation in 1936 were 2.69 times annual interest on funded debt. Descriptive circular with additional information will be forwarded upon request.

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Wood, Gundy & Company
Limited

Strikes Fail to Affect Textile Firms Seriously

From Our Own Correspondent

MONTREAL.—Unless prolonged indefinitely, strikes at the Cornwall plants of Canadian Cottons Ltd. and the nine plants in Quebec Province of Dominion Textile Co. are expected to affect earnings of these companies very little in the current year. Early settlement of the strikes is anticipated. The Dominion Woollens and Worsteds strike at Peterborough, Ont., was broken by a back to work movement.

Fortunately for the companies, the strikes have come in an off-period in their production schedules, when operations are usually slowed down in any case. Furthermore, both Canadian Cottons and Dominion Textile have substantial inventories from which deliveries are being made. It may be possible to offset any loss in production now by speeding up operations later in the year. In the case of Canadian Cottons, closing down of the Cornwall plants can be offset to some extent by increasing production activities in the company's Hamilton and New Brunswick mills.

Higher Costs Possible

The strikes may not seriously affect the earning position of the companies involved, but they may offset to some extent the substantial improvement recorded by the three companies in the early months of the current fiscal year, especially if higher wages are granted to the workers. Both companies have offered to submit the dispute to Government-appointed boards and to make any finding of the board in regard to wages retroactive to the reopening of the plants.

Another disturbing factor is the recent decline in the price of cotton and to the extent that this affects their inventory position the possibilities of a marked increase in profits are lessened.

Expect Early Settlement

Immediate settlement of the strike in the three mills of Canadian Cottons at Cornwall, Ont., is looked for, a tentative agreement having been reached at a parley in Toronto between representatives of the strikers, officials of the company and Premier Mitchell Hepburn.

Less progress has been made toward settlement of the strikes in the plants of the Dominion Textile Co. in Quebec, but an attempt is to be made by the company to reopen its mills late this week and early next week.

Cons. Sand Buys Preferred

Consolidated Sand and Gravel Ltd. advises the Toronto Stock Exchange that 220 more preferred shares have been redeemed and cancelled. This leaves 8,615 preferred shares outstanding out of an authorized 12,000.

DOMINION STEEL & COAL CORPORATION
LIMITED

A new analysis describing the largest Canadian producer of steel and coal available on request.

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Blue Ribbon Corp. Earns $3.64 on Preferred

Blue Ribbon Corp. reports net profits equal to $3.64 a share on its preferred for the fiscal year ended June 30, 1937, against $2.22 a share in the preceding year. Since regular dividend requirements on the preferred are $3.25, 50 cents a share is left for the common, the first time earnings have been shown on common since 1931. Accumulated arrears on preferred were $6.87½ a share at May 1, 1937.

Each of the company's three subsidiaries, Blue Ribbon, Ltd., Pure Gold Manufacturing Co. and Willards Chocolates, Ltd., contributed to the increase in sales and profits.

Consol. Income and Surplus Account
Years Ended June 30

	1937 $	1936 $
Operating profit*	209,526	168,895
Less: Depreciation ...	73,442	82,687
Income taxes	27,277	20,001
Net profit	108,807	66,207
Less: Preferred divd...	59,700	59,700
Surplus for year ...	49,107	6,507
Add: Previous surplus	78,185	71,678
Surplus forward	127,292	78,185

*After deducting the following: 1937, $1,067 legal fees and $47,000 executive salaries; 1936, $1,602 legal fees and $47,333 executive salaries.

Working Capital

	1937 $	1936 $
Current assets	1,555,961	1,536,791
Current liabilities	674,861	632,443
Working capital	881,100	904,348

A. W. Chase Medicine Co. Reports Lower Profits

Net profits of The A. W. Chase Medicine Co. dropped to $28,000 in the year ended April 30, 1937, from the $39,236 shown the previous year. This left a balance for preference shares of $2.88 a share. Regular dividends of 50 cents a share were paid quarterly in each year with an extra payment of 50 cents in August. The president, W. J. Stone, states that it is probable that the same dividend policy will be followed for the current year.

Preference shares outstanding have been reduced from 9,904 at April 30, 1936, to 9,705 at April 30, 1937.

Income and Surplus Account
Years Ended April 30

	1937 $	1936 $
Net income	33,594	45,430
Less: Income tax	5,594	6,194
Net profit	28,000	39,236
Less: Preference divd.	24,554	24,892
Surplus for year	3,446	14,344
Add: Previous surplus	54,382	40,038
Adjustments	4,568	......
Surplus forward	62,396	54,382

Working Capital

	1937 $	1936 $
Current assets	176,558	187,284
Current liabilities	42,297	34,880
Working capital	134,261	152,404

Reinhardt Brewery Profits Increase

Reinhardt Brewery Co., Toronto, reports net profits equal to 14 cents a share on common stock for the four months ended June 30, 1937. Dividends of 16 cents a share were paid on June 1.

Profit and Loss Summary
Four Months Ended June 30, 1937

	$
Net earnings	29,580
Less: Income tax	4,733
Net profit	24,847
Less: Dividend paid	26,573
Deficit for period	1,726
Less: Previous surplus	69,184
Surplus forward	67,458

Working Capital

	June 30, 1937 $	Feb. 28, 1937 $
Current assets	210,495	184,768
Current liabilities	59,667	43,391
Working capital	150,828	141,377

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We have prepared an analysis of this Company's earning power as applied to the proposed capital structure under the Liquidator's and the Ripley reorganization plans.

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TORONTO

Abitibi Power & Paper Company, Limited

PLAN OF SALE OF ASSETS AND REORGANIZATION

NOTICE TO BONDHOLDERS

Pursuant to an Order of The Supreme Court of Ontario, a meeting of Bondholders of Abitibi Power & Paper Company, Limited has been called for the 15th day of October, 1937, to consider the Plan of Sale of Assets and Reorganization presented by the Bondholders' Representative Committee and the sale of the mortgaged properties of the Company to the New Company contemplated by the Plan.

A copy of the Plan, together with a Compilation of Statements and Information obtained by the Bondholders' Representative Committee, is available to all Bondholders upon request at Room 2400, Canadian Bank of Commerce Building, Toronto, Canada, or at Room 1000, 44 Wall Street, New York City.

Bondholders are urged to communicate promptly with the Committee in order that information may be sent to them.

Bondholders' Representative Committee
By JOSEPH P. RIPLEY, *Chairman*

Toronto, Canada

Bond Markets

Lack of Offerings Holds Prices Firm

Treasury Bills Cost Continues at Record Low—Newsprint Bonds Strong as July Production Figures Hit New Peak

Absence of new offerings contributed to the firm bond market of the past week. The market for Dominion and high-grade provincial bonds continued strong with advances well distributed throughout the list of Dominion bonds and ranging from one-quarter to one-half point, with the 4½% conversion loans featuring.

Cost of three-month treasury bills continues at around the record low point. Last sale was made Aug. 13 at an average cost of .636% compared with the record low cost of .632% in July. Sale of $25 millions of treasury bills last week brings the total amount of this type of security outstanding to $145 millions.

Interest still centres on the bonds of the paper companies in the corporation field. Brown Co. 5½% bonds showed a gain of about two points closing the week at around 96 bid to 99 asked. The reorganization plan recently announced for this company has obtained the support of the group representing the majority of general creditors.

Strength in the newsprint issues is probably based on reports of July newsprint production in Canada which rose to 314,529 tons, a new high record for any month. This is the second consecutive month to establish a new record as the previous high was reached in June, 1937, with 310,871 tons.

Dominion Steel & Coal 6¼% bonds reacted favorably to the announcement last week that all interest arrears were being paid on Sept. 1 when bondholders will receive 8¼% interest. This issue was quoted at around 108 early this week, ex-Sept. 1 interest payment, for a net gain of three points.

Municipalities Improving

The average Canadian municipality is making progress toward a sounder financial position, according to a survey of 61 cities and towns throughout the country prepared by Harrison & Co. From the standpoint of average total net debt, percentage of current taxes collected and average accumulated tax arrears, a better condition was shown in 1936 than in any of the past four years. The study by Harrison & Co. concludes as follows:

"Such a record, combined with conditions of 'easy money,' has created and maintained high prices for the bonds of the better Canadian municipalities. The future should tend to further improve intrinsic values. Whereas certain essential municipal services and equipment have been allowed to depreciate from lack of repair funds, it is apparent that most municipal governments are cautious in the consideration of any expenditures and have gained much beneficial experience from the depression. Further increase in debt will be incurred only after careful comparison between the costs and probable benefits therefrom."

* * *

Short-term Bonds

Defining successful investment as keeping capital intact and making it grow, all in terms of purchasing power, Investment Letters, Inc., an American advisory service, recommends an equal division of funds between high-grade bonds and common stocks when prices are on a broad uptrend and employment of all funds in bonds alone when prices are in a broad downtrend.

This investment service began in the summer of 1932 to shift funds, which at that time were all in bonds, to an equal division of capital between credits and common stocks. This division has been maintained since then in the recommendations of Investment Letters, Inc. With long-term bonds selling at or near peak levels for the present century, they have favored short-term issues and hold that, until substantial recessions take place in long-term bonds, short-term maturities are to be preferred. Such a programme, however, leaves the average investor with a comparatively limited amount of capital at a loss to know how to keep a reasonable income when high-grade short-term bonds yield around 2% to 3%.

* * *

Losing U. S. Market

American security dealers who have, in the past, been accustomed to deal in Canadian securities, find that the growing tendency for Canadian borrowers to reduce the amount of their obligations payable in the United States in favor of internal issues is gradually narrowing the field of trading in such issues. This move, in which the Dominion Government has been particularly active, dates from 1931, 1932 and 1933 when Canadian borrowers had to pay varying premiums on remittances to the United States. Canada is eliminating this risk by doing its financing through issues payable only in Canadian funds. American investors, however, prefer to invest in their own currency and some American security dealers point out that continuation of the tendency shown since 1931 for another 10 years might eliminate the United States market for Canadian bonds.

* * *

Alberta Bonds

According to Edmonton dispatches definite plans have been formulated by the Alberta Government for dealing with the bonded indebtedness of the province. It is further stated that there is a possibility that original interest rates will be restored by the plan.

Bondholders are refusing to take such a report very seriously. In view of recent legislative action of the Alberta Government it does not appear that Premier Aberhart and his associates have had a change of heart. Furthermore, it does not appear that the Government will have any funds with which to increase debt service, especially in view of the recent repeal of the sales tax.

* * *

Bond Index

The week's trend in high-grade government bond prices and yields is shown in the table which follows.

Average Price and Yield for Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Aug. 17	114.49	3.201	Aug. 17	117.56	2.997
Aug. 16	114.47	3.206	Aug. 15	117.56	2.997
Aug. 14	114.47	3.208	Aug. 14	117.56	2.997
Aug. 13	114.51	3.204	Aug. 13	117.56	2.997
Aug. 12	114.49	3.210	Aug. 12	117.59	2.993
Aug. 11	114.31	3.227	Aug. 11	117.61	2.990
Year's	3.206	116.81	Year's	2.966	117.91
Range	3.505	111.60	Range	3.597	111.50

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Cons. Rub..	6%	1946	Oct. 1	110
B. Amer. Oil† ...	4%	1945	Sept. 1	102
Dom. Coal, 1st mtge.	5%	1940	Oct. 1	105
Do., s.f. deb. ..	6%	1955	Oct. 1	105
Prov. L., H. & Pr.	‡5%	1946	Sept. 1	105
Woods, A. & Jas.	†6%	1944	Aug. 21	...
Religious Issues:				
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

*Tenders called for sinking fund purposes $24,000.

†For sinking fund purposes, $207,000.

‡For sinking fund purposes $58,000.

Quebec Power Company

NOTICE OF REDEMPTION

To the holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, of Quebec Power Company.

NOTICE is hereby given that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from QUEBEC POWER COMPANY to NATIONAL TRUST COMPANY, LIMITED, Trustee, bearing formal date of December 1, 1928, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, on the first day of September 1937, at ONE HUNDRED AND THREE AND ONE-HALF PER CENT (103½%) of the principal sum thereof, with accrued interest on such Bonds and Registered Debenture Stock to the said first day of September 1937.

Holders of the said Bonds are required to present their Bonds on September 1, 1937 either at the principal office of THE ROYAL BANK OF CANADA, 360 St. James Street West, in the City of Montreal, Canada, or at the principal office of the BANK OF THE MANHATTAN COMPANY, 40 Wall Street, in the Borough of Manhattan, The City of New York, United States of America, for redemption on the said date. Bonds must be accompanied by the interest coupons appertaining thereto which mature on and after December 1, 1937.

Holders of the said Registered Debenture Stock are required to surrender their Debenture Stock Certificates on September 1, 1937, at the principal office of THE ROYAL BANK OF CANADA, 6 Lothbury, London, E. C. 2, England, for redemption of such stock on the said date.

In case such Bonds and Debenture Stock Certificates are not presented for redemption on September 1, 1937, at the respective places hereinabove designated, all interest on the said Bonds and Registered Debenture Stock will cease to accrue from and after the said date.

Dated at Montreal this 27th day of July, 1937.

QUEBEC POWER COMPANY

JAMES WILSON,
Secretary.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Clasified ads. payable in advance.

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Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Aug. 9	Aug. 10	Aug. 11	Aug. 12	Aug. 13	Aug. 14
U. S. dollar, High	1.00	1.00 1/32	1.00	1.00 1/32	1.00 1/32	1.00 1/32
Low	1.00	1.00	1.00	1.00	1.00 1/32	1.00 1/32
1936, High	1.00	1.00	1.00 1/32	1.00	1.00	1.00
Low	1.00	1.00	1.00 1/32	1.00	1.00	1.00
U. K. pound	4.98⅞	4.98½	4.98½	4.98½	4.98⅝	4.98½
Australia	3.99¼	3.99	3.99	3.99	3.99	3.99
Austria	.1890	.1890½	.1890½	.1890½	.1890½	.1890½
Belgium	.1684	.1685	.1686	.1684	.1684¼	.1684¼
Brazil	.0670	.0670	.0670	.0670	.0655	.0655
Czechoslovakia	.0349	.0349¼	.0350	.0349¼	.0349¼	.0349½
Denmark	.2227	.2226⅝	.2223	.2225⅝	.2226⅝	.2225⅝
France	.0375¾	.0375⅝	.0376	.0375¼	.0375⅝	.0375⅝
Germany	.4024	.4025¼	.4025	.4024¼	.4024¼	.4023¼
Greece	.0091½	.0091½	.0091½	.0091½	.0091½	.0091½
Holland	.5515½	.5515¾	.5517	.5515¾	.5515¾	.5514¾
Hungary	.1975	.1976⅝	.1976	.1977⅝	.1977⅝	.1977⅝
India	.3770	.3768¼	.3766¼	.3766¼	.3769¼	.3763¼
Italy	.0526¼	.0526⅝	.0526½	.0526⅝	.0526⅝	.0526½
Japan	.2909	.2909	.2909	.2909	.2909	.2908
Jugoslavia	.0233½	.0233½	.0233½	.0233½	.0233½	.0233½
New Zealand	4.02¼	4.02	4.02	4.02	4.02	4.02
Norway	.2507	.2506¾	.2507	.2505¾	.2506¾	.2505¾
Poland	.1895	.1895	.1895	.1895	.1894	.1894
South Africa	4.97⅞	4.97½	4.97½	4.97½	4.97⅝	4.97½
Sweden	.2572	.2571¾	.2572	.2570¾	.2571¾	.2570¾
Switzerland	.2297¼	.2297¾	.2299	.2297¾	.2297¾	.2297½
Hong Kong	.3085	.3088	.3090	.3100	.3096	.3087

Bank Deposits Flee Alberta

A natural outcome of radical banking legislation, a steady withdrawal of savings balances from Alberta branches of the chartered banks, has been reported. It is also understood that substantial amounts of securities, in addition to the cash deposits, are seeking a more secure haven.

Details of the transfers and the amounts involved cannot be ascertained. Bankers are very reticent about disclosing any information. A number of accounts, particularly the larger ones, have been transferred to branches in other provinces. A considerable number have made their way to Vancouver.

4% Rate is Proposed on Ste. Catherine Bonds

From Our Own Correspondent

MONTREAL.—A meeting of holders of the 6½% first mortgage bonds of the Ste. Catherine Improvement Co., which owns the Automobile Sales Building in Montreal, has been called for Sept 8 for the purpose of sanctioning modifications.

The scheme of readjustment to be submitted to the meeting asks bondholders to approve the following proposals:

(1) To waive default of interest installments on Jan. 1 and July 1, 1937, and of sinking fund payments from July 1, 1933, to July 1, 1937, inclusive.

(2) To release the company from its obligation to pay interest and principal in any medium other than Canadian currency.

(3) To reduce the rate of interest from 6½% to 4% as from July 1, 1936, the two installments now in default to be paid at this rate.

(4) To postpone payment on the Jan. 1 and July 1, 1937, payments to Oct. 1, 1937.

(5) To replace present sinking fund provisions with a provision that a sum equal to 100% of net profits for the preceding year shall be paid into the sinking fund on July 1 of each year.

(6) To extend the maturity date of the bonds from Jan. 1, 1947, to Jan. 1, 1951.

Int. Petroleum Output 2,936,170 bbls. in July

International Petroleum Co. started its new financial year in July with total production in Peru and Colombia of 2,936,170 bbls. of crude oil. This is an average rate of 94,715 bbls. daily.

For the first seven months of 1937, production averaged 95,634 bbls. daily compared with 92,575 bbls. in the calendar year 1936.

With increases in crude oil prices ranging as high as 30% above last year, it is anticipated that the company's earnings will show substantial improvement. In the year ended June 30, 1936, net profits amounted to $1.65 a share.

Expect to Hold Price at $50 For Newsprint

Great Northern's Awaited Decision Not Disturbing Canadians

From Our Own Correspondent

MONTREAL.—Directors of Great Northern Paper Co., one of the largest newsprint paper manufacturers in the United States, are reported to be meeting about the middle of next months to decide on their contract price for the first half of 1938.

To date the Canadian mills, as well as those in the midwest and western States have notified their customers that newsprint deliveries during the first half of next year will be on a basis of $50 a ton delivered in the New York and Chicago zones, with price differentials to outside areas.

Great Northern Paper, which has arbitrarily set the last two price changes, has not said anything so far. Unconfirmed reports are that agents of the company have notified customers that the price next year may be somewhat under that initially set by International Paper. The current feeling, however, is that the company will not pursue a lone wolf policy, but will favor the $50 price. There is by no means assurance that this will be the case.

Can Maintain Policy

As far as the Canadian newsprint industry is concerned, Great Northern's price policy will not upset arrangement already made, except that a price below $50 a ton will affect such interlocking contracts as remain.

These interlocking contracts have been practically eliminated from the newsprint picture. If Great Northern, for example, were to announce a price lower than $50 for the first half of 1938, less than 5% of the Canadian shipments to the States would be affected.

For the first seven months this year Canada shipped over 1.6 million tons of newsprint to the States, a gain of 23.5% over the like period last year. If this rate is maintained in the first half of next year, it will mean that 80,000 tons will be influenced by Great Northern's price policy, always provided that it is less than the standard rate. The balance of the tonnage is unaffected and there is no reason for believing that the rest of the industry will adjust prices to a lower level.

With the assurance that the $50 price will be made to "stick" for the first half of 1938, manufacturers are in a much stronger position to adjust prices during the last six months to provide for any advance in manufacturing costs.

Joins Commodity Exchange

From Our Own Correspondent

MONTREAL.—Armand Charland, partner of Henderson, King and Charland, has been elected a member of the Canadian Commodity Exchange.

Municipal Finances

Toronto, Ont.—Report of the commissioner of finance for 1936 shows that at Dec. 31, the city's total debenture debt was $176.1 millions. Of this amount $43.5 millions were sinking fund debentures against which accumulated sinking funds were $26.3 millions and the balance serial debentures. Surplus earnings of the sinking fund from 1919-36 facilitated the cancellation of $31.8 millions of debt before maturity. The commissioner estimates that the city's balance of borrowing power will be $5.7 millions at the end of 1937. Toronto has no large reduction in debt charges in prospect until 1940 and the commissioner recommends continuation of a policy of restricting capital expenditures to essential and non-postponable projects in order to protect the city's statutory borrowing powers.

* * *

Windsor, Ont.—Repeal of the separate school amendment to the assessment act has delayed plans to refinance the debt of the Windsor separate school board. It is not expected that any further action in refinancing this debt will be taken until the 1938 assessment roll has been completed, which will not be for several months.

* * *

Kitchener, Ont. — The city of Kitchener has collected 59% of total 1937 levy in the first six months, or 2% more than last year. Total current taxes collected to the end of June, 1937, were $756,807 compared with $726,575 in 1936. Collections on arrears of $105,365 compare with $94,456 in the first six months of 1936. Ordinary municipal expenditures to the end of June, 1937, were $584,680, a decrease of $26,615 compared with last year. Total tax arrears were $311,218 at June 30, 1937, against which a reserve of $138,063 has been provided.

* * *

Stratford, Ont.—The city of Stratford's financial statement for the six months ended June 30, 1937, shows total receipts of $755,417 and expenditures of $741,787, leaving a surplus for the period of $13,630. Tax payments of $317,632 are higher than last year.

* * *

Brantford, Ont. — The city of Brantford has collected $729,392 on 1937 taxes to the end of June, an increase of $35,893 over the comparable period of 1936. Collections on arrears have been $157,777, or $8,219 better than a year ago.

* * *

Weyburn, Sask. — The municipal council for Weyburn rural municipality has announced that lack of finance will compel the dismissal of the entire municipal staff with the exception of the secretary-treasurer. The municipality's finances are exhausted and further advances cannot be obtained from the bank. Assistance is to be asked from the provincial government.

* * *

Regina, Sask.—The city's public utility system closed the first half of 1937 with a total surplus of $272,742. The power plant produced a surplus of $278,994, and the waterworks $37,692. The street railway department showed a deficit of $35,444. Administration charges against the three were $8,500.

Regina closed the first half of the year with revenue of $945,304 and expenditure of $893,766. Expenditures were $51,538 under estimates for the period, and included payment of $74,000 against 1935 bank borrowings.

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Calgary Plan Wins Support

Holders of close to the required 60% of outstanding debentures have signified their acceptance of the refinancing plan for the City of Calgary. This plan was presented for approval of debenture holders in June, 1937.

Approval forms have been coming in from British holders of Calgary debentures in increasing numbers lately as a result of publicity given the scheme in that country. No time limit has been set for receiving acceptances and the plan becomes effective as soon as holders of 60% of the city's debentures have signified their acceptance.

Debenture holders' representatives also report that favorable reception has been given their request for approval of schemes for refinancing the cities of Edmonton and Victoria. The Calgary scheme, however, was presented first and a greater volume of acceptances has been received for the Calgary proposals.

Hydro Power Loads Jump

Substantial increases in power loads for all systems of the Ontario Hydro are recorded for the month of July in comparison with the 1936 month.

Similar increases have been recorded every month in the past year.

The Hydro came through last winter without making use of 87,000 h.p. general reserve and 32,000 h.p. stand-by reserve held for it by Gatineau Power Co. under a new contract. If the increase in summer power loads were to be carried into winter months, it is anticipated that a great part of this reserve under the Gatineau contract would be required by the Hydro in the Niagara system which uses 25-cycle current.

The Hydro this year made a new contract with Ottawa Valley Power Co. for 96,000 h.p., and construction of new transmission line will make a good deal of this available in the eastern Ontario system.

While both the Niagara and eastern systems depend partly upon Quebec power they are only interlocking to the extent that power from Ottawa Valley can be interchanged. The effect of the new Ottawa Valley contract, however, is to give an increase in power reserves for both systems. There is some 335,000 of cancelled power available from Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power Co.

July Power Loads of Ontario Hydro

System—	Max. 20-Minute Peak H.P. July, 1937	July, 1936	Incr. %
Primary Load:			
Niagara	916,489	810,858	+13.0
Eastern Ont. ..	109,551	92,460	+18.5
Georgian Bay .	31,046	29,839	+ 4.0
Thunder Bay .	79,001	64,672	+22.2
Northern Ont. .	124,682	78,882	+58.1
Total	1,260,769	1,076,711	+17.1
Primary and Secondary Loads:			
Niagara	1,038,070	983,110	+ 5.6
Eastern Ont. ..	116,461	102,688	+13.4
Georgian Bay .	31,046	29,839	+ 4.0
Thunder Bay .	128,901	109,584	+17.6
Northern Ont. .	165,567	133,439	+24.1
Total	1,480,045	1,358,660	+ 8.9

Manitoba Has Good Surplus

Results for 1936-37 Fiscal Year Better Than Expected

Exclusive of relief costs, Manitoba had a surplus of $280,381 on ordinary account in the year ended April 30, 1937, according to figures released by Hon. Stuart Garson, provincial treasurer. This compares with a surplus of $121,699 in the 1935-36 fiscal year and $159,435 in the 1934-35 fiscal year.

The improvement in the last fiscal year augurs well for the current fiscal year, even if allowance is made for a reduction of $400,000 in revenue as a result of the revision in the wage tax.

Relief Costs Higher

While the ordinary surplus was larger the real deficit of the province for 1936-37, including its share of unemployment relief, was larger. Relief costs for the year amounted to $4,060,067, an increase of $703,040 over the previous year. Thus the real deficit amounted to $3.7 millions, compared with $3.2 millions in the previous year.

During the year the province assumed $430,384 of debt owing by the drainage districts and an item of $211,629 for overdue interest owing by the rural credit societies was written-off.

C.P.R. Lake Steamship Plan Obtains Approval

From Our Own Correspondent

MONTREAL.—Examiner for the U. S. Interstate Commerce Commission has recommended that the commission approve the application of the Canadian Pacific Railway for permission to operate steamship service from its terminal at Port McNicholl, Ont., on Georgian Bay, to Milwaukee and Chicago on Lake Michigan. In its application the railway stated that it proposes to establish through lake-rail routes over its road in conjunction with the new steamship line, and to offer joint rates between eastern Canada, New York and interior points in the United States.

Stock Exchange Bldg. To Pay Bond Interest

On Sept. 1, 1937, interest which became due Aug. 1, 1934, on the 6% first mortgage bonds of Stock Exchange Building Corp., Vancouver, will be paid. Bondholders can obtain payment on presenting coupon No. 11 at any branch in Canada of the Bank of Toronto.

On March 15, 1937, the company paid the interest which originally became due Feb. 1, 1934. Net earnings of $33,278 in 1936 before depreciation and income tax were hardly sufficient to cover total bond interest requirements of $39,756.

Provincial Light Calls $58,000 Mortgage Bonds

MONTREAL. — Provincial Light, Heat & Power Co., subsidiary of Montreal Light, Heat & Power Co., has called for redemption $58,000 of its first mortgage bonds. The bonds will be paid off at 105 and accrued interest on December 1 next.

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Ottawa Lowers Relief Payments

In keeping with its policy of cutting relief costs as far as possible, the Dominion Government has announced reductions in relief grants for the three-month period of July, August and September, except to the three Prairie Provinces.

The biggest cuts are being made in grants to Ontario and Quebec, both of these provinces having experienced substantial improvement in industrial activity. Because of drought conditions on the prairies, no cuts have been made there. No grant is being made to New Brunswick as direct relief has been discontinued in that province. Federal aid, however, is being given to New Brunswick on a work programme which has replaced direct relief.

Federal grants-in-aid to the provinces for the first six months of the Dominion's current fiscal year will total $10.1 millions, out of a total appropriation for the year of $19.5 millions. Grants-in-aid in the year ended March 31, 1937, totalled $29 millions.

Amounts of monthly grants to the province for the first and second quarters are shown below:

Federal Relief Grants Monthly Amounts

	1937 2nd quarter $	1st quarter $
Ontario	420,000	600,000
Quebec	410,000	500,000
Prince Edward Is.	1,300	2,000
Nova Scotia	20,000	30,000
British Columbia	120,000	150,000
Manitoba	175,000	175,000
Saskatchewan	230,000	230,000
Alberta	130,000	130,000

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TORONTO, AUGUST 21, 1937

The Financial Post's Platform for Canada

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2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

C. I. O. Lack of Responsibility

RECENT tactics of certain labor leaders and some of their unfortunate victims in Canada bear a disquieting resemblance to the type of thuggery that has become synonymous in the United States with John L. Lewis and his Committee for Industrial Organization. There is continued need for firm use of police authority to preserve order and protect the rights of all citizens, including workers.

There is no reason why any peaceful Canadian community should be visited by the flare-ups of violence and law-breaking which have recently marked strikes in various sections of the textile industry. In Peterborough, Ontario, an irresponsible minority of textile factory workers clashed violently with police in an attempt to prevent by force the return to work of employees who wished to go back to their jobs. In Marieville, Que., a gang of thugs, allegedly directed by agents of a C.I.O. union, blackjacked a group of employees of a hat company, which had been forced by a strike in Brockville to move its plants elsewhere.

It is notable that in both cases the labor organizations involved in the disputes were C.I.O. units—in Peterborough the United Textile Workers, and in Brockville the United Hat, Cap and Millinery Workers. In Peterborough, one of those arrested after the disturbances was Alex. Welch of Toronto, district organizer for the U.T.W. At both points, the outbursts of violence climaxed the use of law-breaking tactics which have become characteristic of the C.I.O.—mass picketing of strike-bound plants and attempts at forcible restraint of workers desirous of resuming their jobs.

It is no less deplorable to find the National Catholic Unions in Quebec, which in past years have been noted for their avoidance of violence, involved in eruptions of disorder in connection with the widespread strike of Dominion Textile workers. There is reason to believe, however, that these incidents either resulted from emulation of C.I.O. methods by hot-headed Catholic unionists; or, as charged by Catholic syndicate leaders, that the disorders were promoted by C.I.O. and Communist agents in an effort to discredit the Catholic unions.

Another blot on the escutcheon of these Quebec unions was spattered only this week with an outbreak of violence and property damage arising out of the strike of steel workers in Sorel. As in the strike at Sorel some weeks ago, strikers and non-strikers were equally guilty of reprehensible tactics. It is gratifying to note that the disorders were promptly suppressed by dispatch of a provincial police squad.

No one denies the right of groups of workers to quit their jobs en masse if they feel they must, any more than one denies the right of an individual to do the same thing. But the legal right of picketing is plainly violated when a mass picket line is created to intimidate workers who wish to continue in their jobs, or when workers seeking to enter or leave plants are subjected to forcible restraint and attacks.

Those who would give the C.I.O. free rein to enroll Canadian workers under its banner and who scoffed at the measures taken earlier in the year to prevent resort to violence and law-breaking methods, no doubt feel somewhat sheepish at the recent demonstrations arising from the C.I.O. campaign. It is evident that C.I.O. agents in this country, failing to make headway in their campaign, will not hesitate to resort to strong-arm methods if they can get away with them. It is up to public officials to see that they do not.

It is obvious too that the C.I.O. unions have yet to learn the first secret of permanent success in labor organization; the need for a sense of responsibility and a disciplinary power to hold extremists and saboteurs under control.

Bennett Trained No Successor

MR. BENNETT retains the leadership of the Conservative party in the House of Commons.

His overwhelming defeat in the Dominion election showed that the great mass of Conservatives and Independents had not confidence in him as prime minister and general manager of Canada. Naturally, the Conservative party, with this understanding in view, wants a change of leadership. Press dispatches from Ottawa say the party had to return Mr. Bennett because there were no leaders whatever trained to take his place.

Is this itself not an evidence of poor leadership?

What would happen to an army or a great or even a small business if the general or chief executive failed to train a group of capable men to take his place in case of an accident?

Mr. Bennett is undoubtedly a sincere and upright Canadian. His record shows him to be an intensely hard worker. But he made the mistake of taking the burden of party and government leadership almost entirely on his own shoulders. Mr. Bennett's friends have explained that he was compelled to do so because of the incapacity of his associates.

For years The Financial Post has pointed out this weakness in our Cabinet system and has urged that the Cabinet should be made up of the best men obtainable, hand-picked in the Dominion from men whose records show them specially adapted to fill the positions.

But until patriotic statesmanship replaces petty politics, it is for the great party leaders to train the men, whom the voters make available to them, as possible successors, or to carry on in emergencies.

Experience shows that in politics the leaders often fear competitors for their position and therefore refrain from training their associates in statesmanship.

Reciprocity in Taxation, Too

IT HAS taken the United States Senate a long time to ratify the agreement with Canada regarding the "withholding tax" on the incomes of Canadians from United States securities. But now the agreement has been approved and many Canadians are entitled to a rebate on tax deductions made by the United States Government from the first of January, 1936.

The United States charges an income tax of 10% on all American income earned by non-residents, such as from dividends and interest. Canada charges a similar tax of only 5%. When Congress imposed the withholding tax it made provision for signing agreements with contiguous countries by which the tax could be reduced to the rate charged in the other country. The new agreement makes this exemption in the case of Canada.

Up to now Canadians have been exempt from Canadian taxation up to the amount of the tax paid the United States Government. Thus, in most cases, the chief beneficiary of the change will be the Canadian Government.

An important feature of the agreement is that Canada's tax reciprocity with the United States is now established by Congressional agreement. This means that if the United States should increase its "withholding tax," as has been suggested to curb the flow of "hot money," or speculative funds, from overseas, the new tax would probably not be applied to Canada.

Bogey Back on Shelf

ALL the evidence points to the conclusion that the major change in United States gold-buying policy that was discussed last spring and that led to the "gold scare" in Johannesburg, London and Toronto, has been put on the shelf. This is another way of saying that, while it has not been finally killed, the proposal is likely to gather a lot of cobwebs before it is again brought out. In the meantime, there has been a new accession of confidence to the gold mining markets.

In the background of the mining markets there will remain the possibility of some ultimate modification of the present favorable conditions surrounding the production and sale of gold. The new gold boom, if one is in the making, will likely be much more restrained than the eager upward advance of late 1936. And over the longer term there seems to be no chance at all of the remarkable advances of the past four years being duplicated. We have seen a gold boom such as the world may not see again in the lifetime of penny traders now living.

During this last quiet and uncomfortable summer favorable news from the gold mines has been singularly scarce. A year ago the bullish news poured out. Yet there has been just as much feverish prospecting, just as much well-planned drilling, just as rapid progress in proving up ore bodies. The mines have moved ahead while the market has stood still.

The final answer to the riddle of gold has not been written. The fundamental facts are clear; they have been put on view for all men to see. Inspired by a price set rigidly and artificially, the production of gold has advanced rapidly and continues to increase. A gold "shortage" has been turned into a gold surplus. If all the available stocks of gold were permitted to get into the monetary system and exert their full possible force upon commodity prices, an excessive inflation would result that would lead to catastrophe and ultimately to class warfare and civil revolt in many countries.

A similar inflation divided over a long term of years would not be so dangerous and might even be welcomed. To prevent a convulsive upward movement in prices, the United States has been taking gold off the market and detaching it from the monetary system. Great Britain has been aiding the process and has increased its exchange equalization fund from £350 to £550 millions to help carry the burden that Uncle Sam has been carrying almost alone.

Indefinite continuation of this process may lead to trouble. But the trouble is in the future. On the other hand, a reduction in the price might also lead to crisis. This crisis would not be long deferred but would come at once.

Apparently the men who shape monetary policy in Washington, London, Paris and elsewhere have decided that it is best to risk a crisis in the future—a crisis that may possibly be warded off—than to make certain of one now.

Washington undoubtedly toyed with the idea of a new gold policy last spring but President Roosevelt seems to have come to the conclusion that the proposed policy was an invitation to economic disaster. It is probably safe to say that no one of the major nations now has any definite gold policy in mind except the makeshift one of continuing the present price until the passage of time suggests a way out. The answer to the gold riddle is not in the back of the book and neither is it in the back of the minds of the monetary chieftains.

Until a permanent policy is shaped by the course of events a possible ultimate cut in the price of gold will hang over the market. But security markets have a facility for writing down potentialities if there is any chance at all that they may never come to pass. They have done that with the threat of war. Everyone knows that war is a strong possibility in Europe as in the Far East. Yet the world's financial markets have no intention of standing still until the answer to the war question is known. That may prove to be their attitude regarding gold.

Democracy in the Americas

WHAT is happening to democracy on this continent?

It is pointed out that there are only two Latin-American republics where civil rights have not, in whole or in part, been surrendered to a military or political junta. They are Costa Rica and Argentina.

In the United States the trend has been in that direction in the past four and a half years.

The British countries in this hemisphere may remain the last stronghold of personal freedom and the civil rights of the individual. Yet even in Canada there is a broadening field of civil law that is being removed from the courts of legislation of the Dominion and the provinces.

The Canadian Bar Association this week discussed one phase of this pernicious tendency; the habit of governments to pass legislation, upsetting court decisions that go against them, and preventing those who win such decisions from enforcing their rights.

Shady Stories in Public Places

IN THE monthly magazine of the Rotary Clubs we find a stimulating letter from a Rotarian out in California. He objects to those occasional speakers who seek to give their remarks a little extra punch by telling stories that are slightly off-color. He says:

> "A Rotarian wants his club sessions to be of a tone that his wife or daughter would enjoy."

There is good advice here that a great many after-luncheon and after-dinner speakers could take to heart. One man, who recently told a great many shady stories at a men's banquet, was embarrassed to find later that there was a group of women in the balcony. But he should have been equally embarrassed by realizing that even in the 100 per cent male audience there were those who preferred their humor clean.

Editorials in Brief

Canadian Communists are now giving open support to the Aberhart Government. As Communist support has killed off nearly every group to which it has been granted in Canada, there is hope yet for Alberta.

• • •

In the "help wanted" columns we observe demands for a stenographer, "attractive"; a bookkeeper, "must be attractive"; a switchboard operator, "attractive"; a librarian, "attractive."

Someone must be putting on a movie of an office.

• • •

Of Senator Hugo L. Black, of Alabama who is President Roosevelt's choice to fill the vacancy on the Supreme Court bench, Walter L. Lippman once wrote: "In the field of justice, Senator Black is an obvious illiterate."

Apparently if President Roosevelt cannot control the Supreme Court one way he is determined to control it another.

• • •

Mr. Aberhart will probably speak of disallowance of his banking legislation as "but another thorn in the crown of God, another nail in the palm of Christ," a phrase he used on a previous occasion.

His naïve assumption that he alone is privy to the thoughts of the Deity carries little weight, however, outside of the small circle of his own befuddled followers.

Sayings of the Week

"Theories have no place in our scheme of things."—*Adolf Hitler.*

• • •

"We need today inspiration, not irritation. We need education, not seduction or coercion." —*Owen D. Young.*

• • •

"No conscientious American citizen desires to avoid payment of his just share of the country's burden."—*Alfred P. Sloan, Jr.*

• • •

"Every movement to cut wages or to prevent wages going up is a blow at the market by which industry must live."—*Henry Ford.*

• • •

"Humanity progresses along a tortuous route. It swings back and forth, doubles back on its tracks, crosses the same chasms twice."—*Andre Maurois.*

• • •

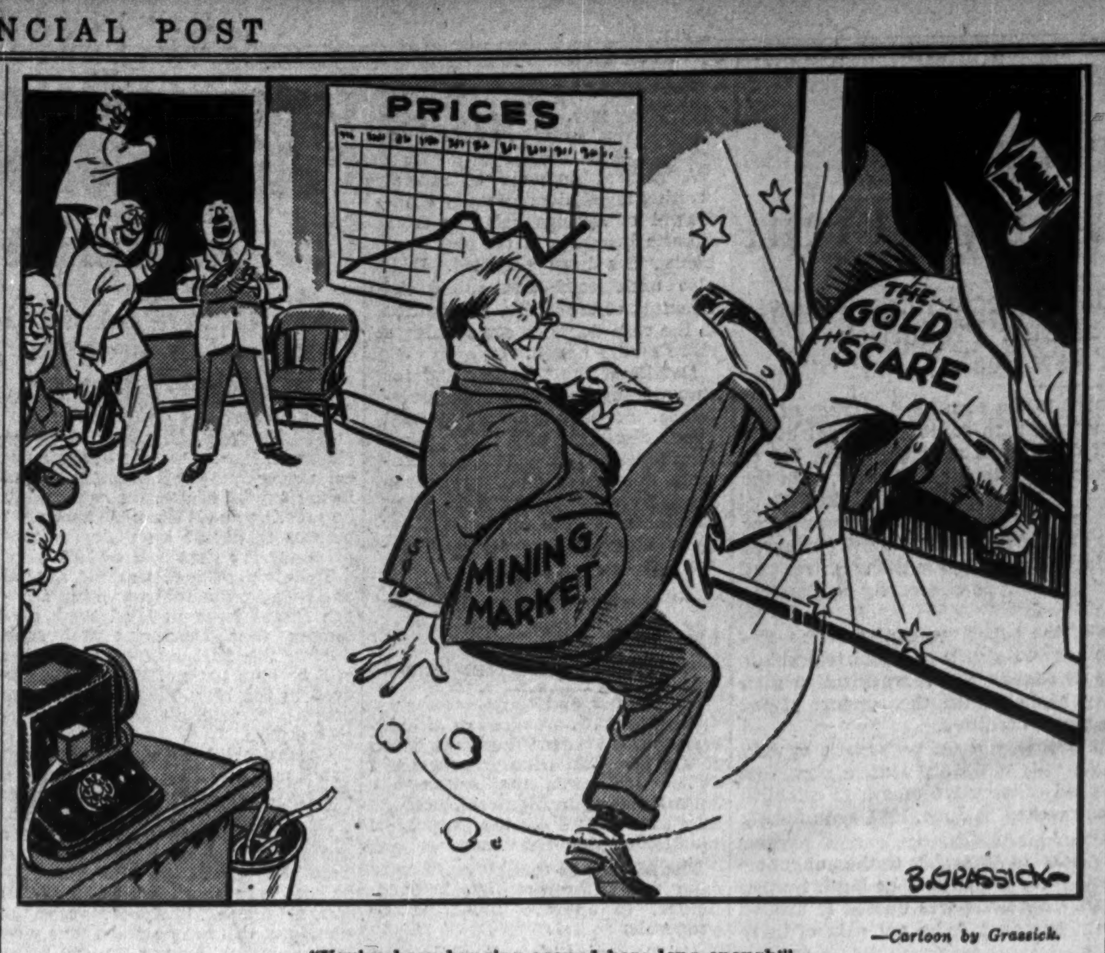
"A playwright must be born with a sensitive soul that is somehow accompanied by a complete incapacity to feel pain." — *Maxwell Anderson.*

• • •

"So delicate is modern military power that the British Empire which took 300 years to build could be destroyed in a single afternoon."—*Dorothy Thompson.*

• • •

"Today, when the winds of Nazism are blowing from across the waters, we must guard freedom with eternal vigilance lest it be swept away."—*Harry Emerson Fosdick.*



"You've been hanging around here long enough!"

—*Cartoon by Grassick.*

Has Capitalism Broken Down?

By RAMSAY MUIR
In The Contemporary Review

It is generally asserted or assumed in Socialist writings and speeches the Capitalism has broken down; and many non-Socialist writers make the assumption. The proof is supposed to be provided, without need for further argument, by the present state of the world, by the existence of poverty amid plenty, by the widespread prevalence of unemployment in all the industrial countries, and by the cruel contrast between lavish wealth and grinding poverty. The proof is anything but convincing. It is not free enterprise, but misconceived and misdirected government interference that is the main cause of these distresses; it is not Capitalism but Economic Nationalism that is impeding the distribution of the abundance which the earth is capable of producing to the peoples who need it and want it.

What is Capitalism?

Nevertheless the question deserves examination. Has Capitalism broken down? There is no use discussing the subject until we are agreed as to the meaning of the word "Capitalism," which is one of those words ending in ism that are traps for loose thinking.

Perhaps the most useful working definition of this elusive word is that Capitalism is a system in which private persons are permitted, under regulations laid down by the State, to undertake enterprises, providing or borrowing the necessary capital, and taking the profits, if any, after all the costs of the enterprise have been met. There are, however, important spheres within which freedom of enterprise is either prohibited or greatly restricted by the State:

Regulated private enterprise is still the main driving force of our system of production; and this, it must be presumed, is what is meant by "Capitalism."

Production at High Level

Has this system broken down? It certainly has not broken down on the side of production. The enormous expansion of the world's productive power, which has taken place during the last century, is unquestionably due to the infinite fertility and inventiveness of private enterprise perpetually and restlessly engaged upon the quest for new materials, new methods of cheapening production, new means of transport, new markets, new ways of stimulating and satisfying human wants—always in the hope that profits may thereby be earned.

It may be said that all these achievements are mainly due to the progress of science and of mechanical invention, and this, of course, is true. But scientific progress itself, and still more its eager exploitation, are due to private enterprise, and are constantly stimulated by it.

Government Blamed

If the unlimited abundance which has thus been made available for the use of men has not brought them prosperity, a large share of the blame rests with the governments, which have deliberately impeded the movement of trade, partly in the belief that their peoples ought not to draw upon the resources of the world, but ought to strive after an unattainable self-sufficiency; partly in the belief that each nation can enrich itself at the expense of the rest by cutting of this trade with them. It is government interference which is mainly responsible for the failure of the earth's peoples to enjoy the abundance which private enterprise has created.

Assuredly, then, "Capitalism," in the sense in which we have defined it, has not broken down in the sphere of production: and it would be folly, in this sphere, to abandon the system which has brought about such marvellous results. There has been a breakdown; but it has been in distribution, not in production.

The Answer is "No"

There has been a breakdown in distribution—both in the distribution of the world's abundance among the world's peoples, and in the distribution of each nation's wealth among its citizens.

The first aspect of this maldistribution—as between the peoples of the earth—is mainly due to the policy of governments, and it can only be amended by the action of governments in co-operation. Unless it is thus amended, it is likely to lead to incessant friction, and, in the end, to war.

The second aspect of maldistribution among the citizens of individual countries is, no doubt, partly due to the principle hitherto regarded as axiomatic in the capitalist world—the principle that all the profits of an industrial concern belong as by right to the owners of the capital invested in it. But this principle could be modified (for example, by a system of profit-sharing) without seriously affecting the vital principal of private enterprise. In a far higher degree, however, maldistribution is due to the action of the State; and, in particular, to the rules regarding inheritance which the State upholds, and to the laws which it defines regarding the rights of the owners of capital.

Inequality in Wealth

It follows that the maldistribution, which is one of the most crying evils of our social system, could be amended by political action, without any revolutionary upheaval, and without destroying or even weakening the vital principle of free enterprise. Indeed, the flagrant contrast which our social system presents between great wealth and grinding poverty is likely sooner or later to produce revolutionary changes unless the means of amending these evils in a more rational way are seriously undertaken.

The Socialist doctrine, in its various forms, is in the main a protest against this gross inequality; and, if revolutionary change comes, it is likely to take a Socialist form, though this would do nothing to redress the root evil. In short, the distribution of wealth, both as between nations and as between individuals within each nation, ought to be regarded as the root problem of politics. So long as this problem is not seriously studied by those who believe in free enterprise, the Socialist plan, which offers no solution, will continue to lead men astray.

New Books

Investing Abroad

THE PROBLEM OF INTERNATIONAL INVESTMENT. By a Study Group of the Royal Institute of International Affairs. Published by Oxford University Press, Toronto. Price $5.50.

"Today the system of international investment lies shattered . . . Debtor peoples regard international loans as a barrier to their future prosperity; creditor countries as the grave of their accumulated savings."

Such is the degree of the discredit that has fallen upon the age-old process of sending money abroad for profit or security. The world suffers because, as part of the trend to economic nationalism, the flow of capital has slowed up as much as, and probably even more than, the flow of goods between the nations.

Yet international investment must be resumed just as international trading on a larger scale must be resumed and for a similar reason. Only through trade can the most advantageous use be made of the world's productive power, both natural and scientific. And only through the most effective use of the capital resources of the world can full development of resources and opportunities take place. Such is the conviction of the study group of the Royal Institute of International Affairs that undertook this prodigious volume. It was an obvious conclusion to reach and will not in itself attract much attention to the report. What is, however, of utmost importance in it is the careful and scientific study that has been made of international investment, past and present. Well interpreted data are supplied that have not previously been brought together in any single volume.

To Canadians there will be particular interest in the fact that this country is among the typical debtor countries chosen for a study of the prosperity and depression consequences of foreign borrowing.

"Canada's successful recovery deserves the highest praise," our British economist friends tell us, but they add, "the problems of agricultural production in the West and of her railway systems as well as other questions of a political nature must be solved before complete recovery can be said to have been achieved."

Britain's Social Services

REPORT ON THE BRITISH SOCIAL SERVICES. By the Social Services Group of the P. E. P. Published by Political and Economic Planning, 16 Queen Anne's Gate, London S.W. 1. Price 8s., postpaid.

Britain pours money into public welfare on a scale that excites interest and often admiration in other parts of the world. A summary accompanying this volume says:

"We spent upon social services in Great Britain in 1900 about 19s. 2d. for every man, woman and child in the population: since then the figure has gone up to £9 a head. The total bill of £400 millions a year is about a tenth of our national income.

"We have to provide among other things for 5½ million elementary schoolchildren in England and Wales, 50,000 university students, 150,000 lunatics mostly in public mental hospitals, nearly a quarter of a million T.B. cases, more than one-and-a-third million people on public assistance, and about the same number of unemployed.

"Great Britain has to support three-quarters of a million pensioned widows, with over 300,000 children, and nearly 2½ million old age pensioners. Industry pays about £11 millions a year in workmen's compensation. The national employment exchanges fill 2½ million jobs a year. Almost every baby in the country is visited by health visitors. The vast total of 18½ million people contribute every week to the health insurance scheme."

It is little wonder then that the United Kingdom is so often credited with leading the world in progressive social reform. But a study of the P.E.P. report reveals that even in Britain there is confusion and lack of planning and co-ordination in the public social services. And so, after a most comprehensive study of what social services Britain has introduced, how they are run, how they are financed and what they seek to accomplish, the authors of the report find it necessary to offer very pointed suggestions as to the better management of social welfare in the Old Land.

To us in younger Canada, feeling our way past rigid constitutional and revenue difficulties to a broader conception of state responsibility for public welfare, the analysis of Britain's achievements and problems is of the highest value, particularly as the anonymous authors include many foremost experts, including several with direct administrative experience.

As Others See Us . . . . .

Our Country Weeklies
Liverpool Advance

The Financial Post discusses the high journalistic courage of the country weeklies of Alberta in taking the temporarily unpopular attitude of "opposing Mr. Aberhart and his social credit futilities."

The weeklies as a whole have never occupied a higher plane in Canada than the one on which they stand today and if there happen to be, at times, subscribers even to the poorest of them who cannot save several times the price of the yearly subscription, the fault is with the subscriber, not with the paper or its publisher.

Employers' Responsibility
Western Retailer

The Financial Post, in a timely article, draws attention to the responsibility of employers to their employees. It says, "There are enlightened employers and there are backward ones. Today there are rather more of the first kind than of the second." They mention such employers as the Rowntrees, Levers, Procters, and the Fords as examples of enlightened employers.

It sets one reflecting as to just what is the moral relation between employers and employees, and also between the state and the large army of employees who make up the bulk of our population. It is idle to class employees as so much merchandise to be bought and sold when needed, or to be scrapped if unwanted. There is undoubtedly a moral obligation on the part of all governments to so govern and control the country with whose fortunes they are entrusted that there is profitable employment for all who are willing and able to work. It is the recognized duty of the state to care for all those who are physically unable to work, whether on account of age or other disability. Those whom we are concerned about are those who are capable and willing to work but are unable to do so. The popular belief is that it is the definite duty of the state to take care of all such. We are not sure that it is, primarily, the duty of the state. Is it a duty or is it a politically wise act of mercy?

The present system favors the employer too much at the expense of the state. If the theory is accepted that an employer's responsibility is finished when he can make no further use of the employee there is no argument. But is it fair to the state that the employer should take the best years of men's lives and when, for any reason, it suits him to discharge a number of his employees, to shift the care and responsibility for those ex-employees upon the state?

StopMe If You've Heard This One . .

Store Manager—"What do you mean by arguing with that customer? Don't you know our rule? The customer is always right."

Floorwalker—"I know it. But he insisted that he was wrong."

Post-Scripts

"Millionaire Friends"

THE Conservative party publicity committee, working on the Ontario elections, sends out to the newspapers a reprint story from the American magazine, Time. It tells about the sudden impulse that led J. P. Bickell, head of McIntyre Porcupine Mines, and Bernard "Sell'em Ben" Smith, famous Wall Street speculator, to start on a round-the-world trip by plane on a few hours notice. A specially chartered airplane helped take Mr. Bickell's passport from Toronto to California so that he would not miss the Shanghai Clipper.

Only touch added by the Tory propagandists is that Messers. Bickell and Smith are "personal friends and business associates" of Ontario's Liberal Premier Hepburn.

It is clever political propaganda. The man on the street does not like to think of anyone chartering an airplane to carry a passport so that he can gleefully satisfy a sudden urge to take a trip somewhere—anywhere.

The Conservatives in Ontario like to chide Mr. Hepburn for having as his personal friends a number of speculatively wealthy men who like and can afford a good time. Now Mr. Hepburn is striking back and criticizes the Conservative leader's own choice of company. Isn't Earl Rowe a good friend of General "Don" Hogarth, who has made a few successful plunges in the market himself? is the burden of the Premier's reply.

Nasty personal jibes always cut considerable ice in an election. Often they are as unfair as they are unkind. Yet down deep there is something fundamental in the principle involved. Men at the head of government have to expect to be judged, among other things, by the company they keep. And people who have acquired great wealth by a combination of good luck and good judgment have to expect to be judged by the manner in which they spend their money and the community spirit they show in the trusteeship of it.

In the Mail. . . .

Who is Lord Over Us?

Editor, The Financial Post:

On reading the narrative of the perpetration of "legislation" recently by the Alberta Legislature, it appears to me, a quotation from the 12th Psalm of the Great Bible would be in order and appropriate. Here it is:

" . . . which have said, with our tongue will we prevail; we are they that ought to speak, who is lord over us?"

CHRISTOPHER HUNT,
Edmonton.

Other People's Views . . . .

Food and Taxes
Edmonton Journal

According to a report issued by the Twentieth Century Fund after a two-year study, the people of the United States now are paying more in taxes each year than they spend on food. The annual tax bill is said to be $12,500,000,000, of which the Federal Government takes $5,500,000,000, the states $2,500,000,000 and local governing bodies $4,500,000,000. The annual food bill is estimated at $11,500,000,000 a year.

New Ships or Old
Vancouver Province

Three hundred and fifty passengers, among them a number of prominent Australians, sailed from Vancouver recently for "down under" on the Canadian-Australian ship Monowai. Hon. A. G. Ogilvie, Premier of Tasmania, and Hon. J. H. Gaha, Tasmanian minister of health, were not among them. The Tasmanians planned to sail from San Francisco on one of the swift, palatial, heavily-subsidized steamships of the Matson Line.

"Who is going to sail in old tubs when they can get modern, air-conditioned ships offering every convenience?" asked the fighting Premier.

The difficulties of the situation are accentuated by the fact that in spite of the sacrifices of those who patronize them, the slower, older ships of the Canadian-Australian Line are not paying their way, and it has been made plain that if they continue to lose money they will be withdrawn. Then there will be no cross-Canada route from the Old Land to Australia, and Canada will lose prestige and Canadian railways a lucrative business.

The only thing that can save the service, and keep a British steamship line in being on the South Pacific, is, as Sir Edward Beatty has emphasized, a subsidy sufficiently large to build new competing steamships.

Saskatchewan's Trial
Western Retailer

Perhaps the calamity which has fallen upon this province owing to the unprecedented drought will have the effect of forcing most of us to revise our views on many things, politically and socially, and get away from the habit of basing our plans, in a spirit of optimism, upon that prosperous next year.

Have we not all been living in a land of tomorrow? Is it saying too much to express the view that Saskatchewan will have to be remade and remodelled? If we look facts in the face we will have to admit that our actions in the past have all been based upon the assumption that we will have an enormous increase in the population. Our borrowings and expenditures have all been based on that assumption.

We now find ourselves in a situation where our revenues will be dwindling and our obligations increasing, and our hopes for the future depending mainly upon a providential change in climatic conditions. Just how many of our misfortunes are due to unscientific farming or to actual drought is debatable, but we remember listening to the Honorable Charles Dunning, speaking in Saskatoon toward the end of his term as Premier of the province, and he spoke for an hour almost entirely upon the great need for conserving the fertility of the soil in this province. He said that the top six inches of soil had to be preserved and saved from exhaustion. Mr. Dunning was himself a practical farmer and was speaking from his own experience.

Saskatchewan is not licked, there are too many stout hearts, and too much optimism still left for that to happen; but assuredly the people of this province will have to learn to do without that for which they cannot afford to pay.

Week in Business

Pronounced Upturn In Furniture Sales

Volume Running About 30% Above Last Year, With Prospects Good — Alberta Merchants Fear New Taxation

In comparison with the last few years, furniture manufacturers have but few complaints this summer. Sales volume is running considerably less than the much improved showing in the first four months of this year might have indicated, but is still well ahead of 1936. The aggregate for the first seven months is about 30% greater than a year ago, although some manufacturers will point out that sales for some years past have been at such a low ebb that this increase is not as large as might be imagined.

Apart from drought areas in the West, prospects for the remainder of the year are favorable, and it is hoped that a proportionate advance will be maintained.

No change in prices is in the immediate offing, The Financial Post is informed. Any revision this fall will likely be along individual lines. Labor costs have been set until next March and raw material costs have not shown very material change. The one worry on the horizon appears to be a possible increase in lumber costs, and if this develops, an increase in prices may be required early next year.

A most encouraging trend, apparent both to manufacturers and retailers, is the increasing demand for better grade furniure, indicating that price is becoming a less important factor. Another development which reverses the experience of the last few years is that improvement has been more noticeable in case goods than in upholstered lines.

• • •

Alberta merchants have enthusiastically welcomed the withdrawal of the provincial sales tax. It was, of course, a consumption tax, and it naturally followed that the merchants were merely collectors for the Government and as such put to a good deal of trouble and on the receiving end of a good deal of abuse.

With some knowledge of Mr. Aberhart's frequent changes of heart, however, they are deeply suspicious. They fear that alternative taxation will be introduced. Sales tax slips must still be made out, although the tax is no longer paid. The Government brought out new accounting forms only a month ago, an unusual procedure if it intended casting aside the sales tax.

Business Indicators

Iron and steel production in July was considerably more than twice last year's output. Sales have eased somewhat, but prices remain firm.

Coal production and imports are both well ahead of a year ago. Coal, iron and steel have chalked up new records for Great Lakes shipping this season.

Boot and shoe production continues above last year with June footwear numbering 2.2 million pair, 500,000 pair more than in the same month a year ago.

Wheat exports dipped to the low figure of 8.6 million bushels in July, compared with 25.9 millions in 1936. Higher prices result in a smaller proportionate increase in the value of shipments.

Automobile sales reflect improved buying power, with May figures up almost 1,300 cars over last year. Sales of commercial vehicles are almost a third higher than in 1936.

Carloadings added to the gains in earlier weeks this year, and gross earnings of both major railways showed improvement.

Newsprint output in July was 30,000 tons above the 1936 level at 314,529 tons.

Current trend of Canadian business activity is shown by The Financial Post's business index below, new figures for the week being marked ▲.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Aug. 7)	▲47,739	46,471	1,483,283	1,353,583
C.N.R. gr. earn., wk. (Aug. 7)	$ ▲3,522,026	$ 3,266,586	$ 115,181,622	$ 104,024,304
C.P.R. gr. earn., wk. (Aug. 7)	$ ▲2,582,000	$ 2,364,000	$ 81,359,000	$ 75,983,000
C.P.R. net revenue (June)	$ 1,195,111	$ 1,175,549	$ 8,260,153	$ 6,790,999
C.N.R. net revenue (June)	$ 435,188	$ 9,442	$ 6,667,948	$ 2,475,040
Business Conditions—				
Weekly index D.B.S. (Aug. 7)	▲111.7	111.5	......	......
Financial Post index (June)	122.6	110.5	......	......
Iron and Steel (July)—				
Pig iron production (tons)	▲79,736	34,988	503,678	375,323
Steel ingots and castings prod. (tons)	▲122,968	68,793	836,145	647,493
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	17,199	15,930	63,970	51,858
Factory output (June)	17,919	13,126	97,563	86,364
Trucks and Buses:				
Domestic sales* (May)	4,332	3,297	14,837	10,999
Factory output (June)	5,922	3,274	31,008	19,584
Exports (June)	6,809	4,449	34,487	32,253
Financing (June):				
Used	$ 4,646,721	$ 3,467,078	$ 19,106,344	$ 13,793,047
New	$ 5,713,316	$ 3,980,528	$ 23,605,784	$ 17,556,909
Construction—				
Cons. contracts (July)	$ 21,485,000	$ 17,868,500	$ 131,861,100	$ 95,577,000
Production (Apr.)—				
Cement, bbls.	371,839	293,538	780,029	651,781
Gypsum, tons	65,708	40,007	102,380	53,100
Clay	$ 289,272	$ 226,722	$ 730,664	$ 609,875
Agriculture—				
Flour prod., bbls. (June)	1,000,879	1,148,810	6,059,599	6,527,359
Flour exp. bbls. (June)	389,995	430,171	2,076,707	2,291,171
Wheat exp. bus. (July)	▲8,602,689	25,912,508	52,326,724	120,509,094
Cattle sales (June)	69,931	64,835	365,453	393,850
Hog sales (June)	83,935	79,042	523,811	458,245
Newsprint (tons)—				
Production (July)	▲314,529	274,627	2,097,290	1,763,890
Exports, tons (June)	306,645	283,588	1,631,582	1,360,294
Mining—				
Coal prod., tons (June)	▲1,063,865	1,037,700	6,994,251	6,885,469
Coal imports, tons (June)	▲1,944,920	1,683,704	6,247,986	5,026,228
Gold prod., fine oz. (May)	340,125	308,492	1,628,356	1,450,839
Nickel prod., lb. (May)	18,462,389	11,815,188	90,426,601	68,704,668
Copper prod., lb. (May)	41,561,784	35,044,332	201,055,674	174,216,241
Employment D.B.S. Index (July 1)—				
All industries	119.1	104.6	......	......
Manufacturing	119.0	104.7	......	......
Electric Power Output (June):				
Total monthly m.k.h.†	2,253,477	2,028,980	13,754,271	12,442,086
Trade—				
Retail trade (index no. of sales) (June)	80.5	73.4	......	......
Imports (June)	$ 75,668,684	$ 57,598,132	$ 380,815,689	$ 293,804,753
Exports (June)	$ 106,857,343	$ 79,942,336	$ 525,807,475	$ 424,545,951
Other Industrial Factors—				
Dressed lumber, exp.: M. bd. ft. (June)	182,191	189,550	862,634	724,048
Boot & shoe prod., pr. (June)	▲2,226,062	1,721,182	12,483,211	11,042,084
Crude petrol., imp. gal. (May)	132,744,682	103,517,383	346,594,657	323,829,723
Cotton imports, lb. (May)	15,328,882	9,859,401	66,728,359	62,204,033
Raw rubber imp., lb. (June)	▲8,488,643	4,574,180	33,231,412	24,211,377
Cigarette cons. (June) No.†	628,742	506,108	3,055,859	2,472,515
Sugar (lb.)—				
Melting & ship.§ (raw)	▲69,052,155	98,485,337	354,236,972	401,619,890
Manufactured§	▲67,278,417	94,693,262	342,788,138	387,079,548
Finance—				
Bank debits (June)†	$ 2,891,917	$ 3,135,569	$ 18,186,008	$ 17,246,852
Bond sales (June)	$ 103,300,184	$ 187,787,200	$ 698,833,890	$ 754,241,487
Life insurance (June)	$ 37,658,000	$ 31,247,000	$ 192,736,000	$ 181,267,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to July 17.

Saint John Port Activity Reflected in Cargo Tonnage

MONTREAL. — Cargo handled through the port of Saint John during July totalled 104,791 tons, as against 74,850 tons for the same month last year. Both imports and exports increased, the gain in the latter being from 27,839 to 50,305 tons.

Cumulative returns for the first seven months of 1937 showed imports of 476,441 tons and exports 811,096 tons, a total of 1,287,537 tons. For the same period in 1936 imports were 422,184 tons, exports 744,504 tons and total tonnage 1,166,688 tons.

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CORNERSTONE OF FINANCE

The new home of Canada's central bank was officially "dedicated" last week, with prominent politicians and financiers in attendance to see the cornerstone well and truly laid. Guests of the Bank of Canada included the gentlemen pictured above. From left to right they are: Sir Francis Floud, British High Commissioner in Canada; Baron Silvercruys, Belgian Minister to Canada; C. A. Dunning, Federal minister of finance; Jackson Dodds, general manager, Bank of Montreal; M. W. Wilson, president, Royal Bank; G. L. Harrison, president, Federal Reserve Bank of New York.

Contents of the stone were specimens of Bank of Canada notes, its reports of shareholders meetings, by-laws, statistical summary, the statutes which established it; a copy of the Macmillan report which recommended formation of the bank, and a list of those in attendance for the stone laying.

Barton Predicts Business Upturn

Drop in the price of gold is "economically and politically impossible" and the volume of business on this continent this fall will be larger than at any time since 1930, in the opinion of Bruce Barton of New York, well-known journalist, advertising executive and keen observer of current affairs.

In an exclusive interview at Preston Springs, Ont., where he has been paying his annual visit to the Hagmeier Clinic, Mr. Barton declared there was no chance within the visible future of the United States Government dropping the gold price below its present level of $35 an ounce.

"Advertising is regarded as one of the main barometers of business conditions, and advertising volume this fall will be the greatest since the depression began," Mr. Barton commented. "Furthermore, the shortage of residential and business buildings in the United States holds promise of activity in the building industries for five or six years.

"This development would be curbed, however, if the cost of materials and wages and the burden of taxation became too great. The duration of present prosperity seems to me to depend on how soon your government and ours can begin to balance their budgets."

Foreign Business

United States Department of Commerce reviews foreign business as follows:

United Kingdom—All branches of business were unusually active during July, with summer dullness entirely absent and some industries showing contraseasonal increases.

Irish Free State — The upward trend has been maintained with external trade still improving and the agricultural outlook brighter.

Poland — A seasonal recession began during June and heavy imports have resulted in an adverse trade balance, despite a small gain in exports.

Sweden — Employment and commerce remain unusually active, with the outlook favorable; a general shortage of skilled workers is reported. together with a rather serious lack of agricultural workmen.

Mexico — Unsettled and irregular business conditions prevailed during July, owing to price rises, disturbed labor conditions, and prospective shortages in some crops.

Background of Business

Pacific Trade

The most notable trend in the trade of British Columbia, according to a survey by the Provincial Economic Council under Dr. W. A. Carrothers is a growing export to the United States. Even before the present Canada-U. S. trade treaty went into effect, very substantial improvement was reported. Between 1934 and 1935 volume increased by more than 50%.

According to calculations of the council, the United States has replaced Great Britain as the biggest buyer of the province's products. Unfortunately, the figures, which give the United States exports at $35.8 millions and those to Great Britain at $27.3 millions, refer to 1935. Statistics for last year are not yet available and the trend may have been altered somewhat by the heavy imports of B. C. lumber by the United Kingdom.

• • •

Business Chemistry

Travellers in Europe have been impressed with the increasing importance of chemical science in the development of industry and as a factor in re-armament. In Germany particularly, notable advances are being made in the production of synthetic products from domestic raw materials.

The programme to make Germany almost independent of imported products appears to a large extent dependent upon the ability to make what is needed from water, air, limestone, coal and caffein. One of the new products is an insulating material made from a synthetic resin. Another is the "zellwoole" or wool substitute made from wood cellulose. Synthetic petroleum and Buna rubber are others which are now being produced on a large scale. In one plant alone, 1,000 tons of synthetic petroleum are being made daily.

• • •

Mart For Paper Backs

A much bigger market than it enjoys at present in Canada is foreseen for the cheap paper-backed editions of well-known fiction by Bookseller and Stationer. This authority suggests that such fiction should sell as readily as magazines that are now so prominently offered for sale in or near railway station waiting rooms, bus terminals, corner news stands and similar points where the travelling public congregates. People buy magazines for entertainment while they bask in the sun or journey to a resort, it is argued, and the fact that they could also buy for approximately the same price a book by one of their favorite authors is a tremendous drawing card. It is pointed out that cheap paper-backed editions have for years enjoyed tremendous sales with the travelling public in Great Britain.

Bankruptcies

Canada Gazette announces meetings of the creditors in the matter of:

Holsom Bakery & Cafe, Ltd., Lethbridge, Alta.
Peerless Hardware, Matheson, Ont.
Dexter, T. F., London, Ont.
Wilkins Department Store of Port Arthur, Ltd., Port Arthur, Ont.
Archibald, W. F., Sault Ste. Marie, Ont.
Strachan, M. E., Hamilton.
Scudds Ltd., F. M., Toronto.
Gauthier, J. A., Longueuil, Que.
Novick, J., Montreal.
Davinci Art Studio, Montreal.
Sanders, R., Montreal.
Cadieux, Z., Verdun, Que.
Saindon, A., MacKayville, Que.
Carroll, A., Montreal.
Hubert Enrg., A., Montreal.
Guenette, J. E., Thetford Mines, Que.
Laurent, M., Louiseville, Que.
Tarrien Lumber Co., Quebec.

Over 350,000 Business Men Have Accepted This Opportunity.

"How to Win Friends and Influence People"

Every Real Business Man Realizes the Value of Winning People to His Way of Thinking

Ability to study people, make friends and influence the thinking processes of others is a great asset. A movement for education on this important subject is sweeping over the nation and the most spectacular force in that movement is Dale Carnegie. He started out to conduct merely a course in public speaking but the students who came were **business men**. Many of them hadn't seen a classroom for thirty years—they wanted results and they wanted them quick—results that they could use the next day.

Dale Carnegie was forced to be swift and practical, so he developed a system of training — a striking combination of salesmanship, human relations and applied psychology.

This system is available to every reader of this message in his book "How To Win Friends and Influence People."

More than 350,000 copies have already been sold. Many large companies are buying extra copies for their sales staffs.

12 things Dale Carnegie's system will do for YOU.

1. Get you out of a mental rut, give you new thoughts, new visions, new ambitions.
2. Enable you to make friends quickly and easily.
3. Increase your popularity.
4. Increase your influence, your prestige, your ability to get things done.
5. Help you to win people to your way of thinking.
6. Enable you to win new clients, new customers.
7. Increase your earning power.
8. Make you a better salesman, a better executive.
9. Help you to handle complaints, avoid arguments, keep your human contacts smooth and pleasant.
10. Make you a better speaker, a more entertaining conversationalist.
11. Make the principle of psychology easy for you to apply in your daily contacts.
12. Help you to arouse enthusiasm among your associates.

This 340-page book will be mailed promptly postpaid to any address in Canada upon receipt of cheque, postal or money order for $2.00. Send order today to Business Book Company, 481 University Avenue, Toronto, Ontario.

Higher Prices Of Radio Sets Reflect Costs

No Further Increase is Expected in Canada in Near Future

Although retail prices of Canadian radio sets are $10 to $15 or more above price levels at this time last year, little prospect is seen in trade circles that a further advance will take place this season.

Canadian radio makers are facing definitely higher costs, however, as the result of advances in both materials and wage levels. Wood supplies are an important item, and since demand in Canada is for a better class of radio cabinet than that sold generally in the U.S., radio manufacturers have had to market a relatively higher priced cabinet.

Offsetting higher price levels as the retail radio season approaches are several innovations in new model radio sets which place these on a definitely more attractive purchasing basis than those offered a year ago. Chief among the improvements and common to nearly all makes is automatic tuning. Pre-set, a device designed much as a telephone dial brings in broadcasting stations clearly and sharply without the necessity of twisting a dial back and forth to obtain proper reception. Short wave receiving equipment is materially better than a year ago, partly because makers have concentrated their efforts on keeping pace with improved broadcasting equipment placed in use on short wave bands during the last year.

Radio sales prospects cannot be determined accurately at the moment except by dealer reaction to the new models. Sets moving into distributors' hands will not reach retail buyers in volume for another month at least, but early indications are that autumn sales will equal those of last year, when volume was within measurable distance of the peak radio sales year, 1929.

Dominion Stores Sales Decrease

Sales of $1.45 million reported by Dominion Stores Ltd. for the four weeks ended Aug. 7, 1937, are $31,987 less than for the corresponding period of 1936, but during the 1937 period the company operated 18 fewer stores than a year ago.

For the 32 weeks ended Aug. 7, 1937, Dominion stores had sales of $12 millions compared with $11.9 millions in the same period of the preceding year, an increase of $131,220.

Comparative sales figures for the eight four-week periods follow:

Monthly Sales
(Subject to final adjustment)

Four weeks ended:	1937 $	1936 $	Incr. %
Jan. 23	1,457,927	1,413,478	3.14
Feb 20	1,474,990	1,452,088	1.58
Mar. 20	1,544,860	1,513,367	2.08
Apr. 17	1,547,273	1,510,892	2.41
May 15	1,515,533	1,517,152	*0.11
June 12	1,503,839	1,463,362	2.77
July 10	1,500,204	1,511,080	*0.72
Aug. 7	1,452,738	1,484,725	*2.15
	11,997,364	11,866,144	1.11

*Decrease.

SECURITIES SHOULD BE SUPERVISED

In a period of frequent fluctuations it is necessary for the investor to have supervision of his list of holdings. Suggestions for investment are available through any of our branches.

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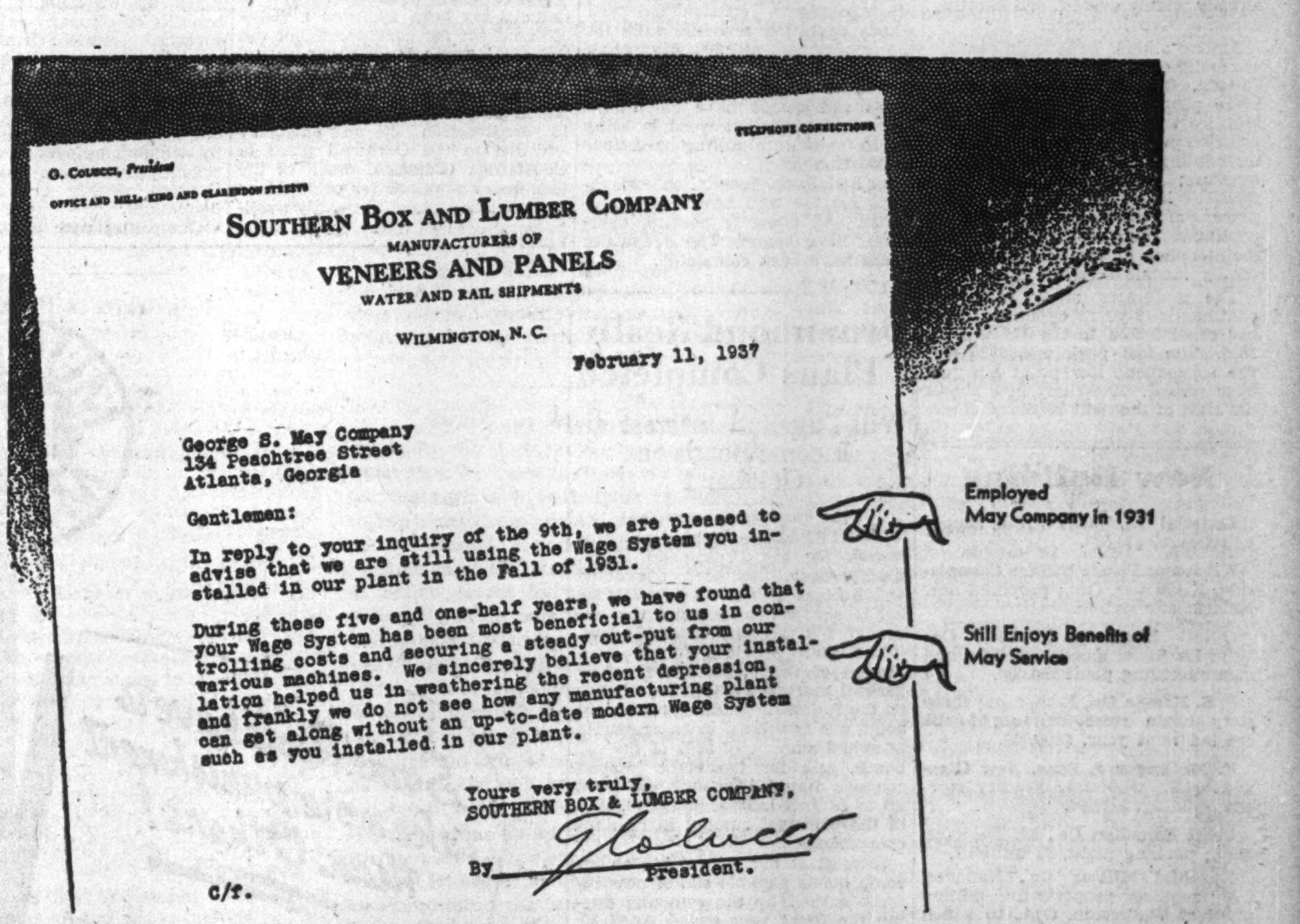

G. Colucci, President
OFFICE AND MILL: KING AND CLARENDON STREETS
TELEPHONE CONNECTIONS
SOUTHERN BOX AND LUMBER COMPANY
MANUFACTURERS OF
VENEERS AND PANELS
WATER AND RAIL SHIPMENTS
WILMINGTON, N. C.

February 11, 1937

George S. May Company
134 Peachtree Street
Atlanta, Georgia

Gentlemen:

In reply to your inquiry of the 9th, we are pleased to advise that we are still using the Wage System you installed in our plant in the Fall of 1931.

During these five and one-half years, we have found that your Wage System has been most beneficial to us in controlling costs and securing a steady out-put from our various machines. We sincerely believe that your installation helped us in weathering the recent depression, and frankly we do not see how any manufacturing plant can get along without an up-to-date modern Wage System such as you installed in our plant.

Yours very truly,
SOUTHERN BOX & LUMBER COMPANY,
By G Colucci President.

C/f.

Employed May Company in 1931

Still Enjoys Benefits of May Service

MAY METHODS REDUCE COSTS AND IRON OUT KINKS IN PRODUCTION

This Is What May Company Did

1. Installed wage incentive and cost control systems throughout the entire plant.
2. Synchronized general manufacturing operations to eliminate waste space, time and motion. Applied modern and more efficient mechanical adaptations.

. . . and These Are the Results

1. Actual reduction in pay roll *exceeded our estimate* by approximately 10%.
2. Number of units produced per machine substantially increased . . . thus adding materially to plant output without enlarging or expanding equipment.

May Methods Can Do for You What They Have Done for Hundreds of Others . . . Write Our Nearest Office for Details Today

ENGINEERS

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Construction

Long Term Mortgage Used to Aid Building

Canadians Following Example of Builders in U. S. in Efforts to Revive Industry—Experiments Watched With Interest

While municipal bodies in Canada are turning to provincial and Dominion governments for financial aid to meet future deficits on admittedly non-self supporting housing schemes, practical industrialists and builders are experimenting with long term, low interest rate, monthly amortized mortgages as a possible solution to housing problems in the $3,700 to $5,000 groups.

Success of these efforts could unlock a huge backlog of residential construction in Toronto, Winnipeg, Montreal and other cities where serious housing shortages exist.

Most serious obstacle to success is the difficulty of reducing mortgage interest rates to a point where, with taxes, they do not create too great a burden for the low income purchaser; yet maintain rates sufficiently to attract speculative building funds.

Canadian Experiments

Rates as low as 4% are being discussed in the U.S. in that connection but even at higher rates, the long term, monthly amortized mortgage is now being adapted for use in Canada. In Brantford, Ont., a group of builders is offering homes in the low price group, purchasable on a basis of less than $20 a month. McCormick's Ltd., biscuit manufacturers of London, Ont., have initiated a plan under which employees can buy a $3,700 home for around $700, paying $25 a month for succeeding payments of principal, interest and estimated taxes. The Dominion Housing Act is being used in this but like private building ventures, the essential quality is that construction, financing and payment by the purchaser shall be economically possible.

The long term, monthly amortized mortgage extending over 35 years in place of the usual shorter period recognizes that for low to medium income families the purchase of a house is virtually a lifetime project. The stumbling block in Canada is, of course, the 6% interest rate. In the United States the 35-year period is being put forward as the most suitable period for safe investment of building funds at a 4% rate.

Extending Period

Maximum loan on a $5,000 house of 80% of the value at a 6% interest rate requires a monthly payment of $28.64 to amortize in 20 years. On the theory that low income families can pay 20% or less for rent, and including taxes, insurance, maintenance, principal and interest payments, an income of $2,300 a year is cited as needed to justify this monthly payment.

But if the amortization period is extended to 35 years and the interest rate reduced to 4% the same $5,000 house can be bought with the same $1,000 down payment, and monthly payments are reduced to $17.68, a practical investment for a family with only $1,400 income a year.

In Canada, it is doubtful whether mortgage money at 4% could be obtained, but extension of the mortgage period is another matter. For families who must now pay $28 or more per month for a $5,000 home, extension of the mortgage period automatically reduces monthly payments of principal and to that extent the scheme is being adapted here.

In effect, the builder or mortgage lender is receiving the usual interest return, but by extending principal payments over a longer period he extends his market also. Houses are being made available to families whose incomes do not permit principal repayments on a short-term basis, who can pay $20 monthly but not $28. From the lender's standpoint repayment is often not desirable over a short term providing the house is well constructed, reasonably certain to retain its value, and remain in a readily marketable condition for disposal in the event that mortgage payments are not maintained.

Construction World

Boom Forecast

Canada, the United States and Germany are approaching a building boom; England, Scotland and Sweden are headed for a construction slump.

That at least is the forecast of Cornell Professors George F. Warren and Frank A. Pearson, writing in Fortune Magazine. The professorial prophets predict that the United States building boom is likely to reach its zenith in 1943, six years hence, but the factors on which the forecast is based are already widely evident and exerting a cumulative influence.

Among others, three main reasons are assigned for the coming boom in Canada, the U. S. and Germany. More people are getting married; families who doubled up in the depression period to save rent are now undoubling and renting separate quarters; people want more commodious living quarters. All three reasons are obviously predicated on continued business recovery and maintenance or increase of present family income levels.

The professors' study reveals a continuous 18-years' cycle for building construction in the U. S. since 1830. The last peak was 1925 and the subsequent low point has just been passed. The chart now shows the start of the next 18-years' climb.

New Building

Imperial Oil, Halifax, N.S.; supply warehouse, $30,000.

Kitchener Public Utilities Commission, Kitchener, Ont.; proposed new electric sub-station.

O'Neil European Machine Co., Ville La Salle, Quebec; offices and manufacturing plant $50,000.

S. S. Kresge Co., Edmonton; three story chain store building to be erected next year, $100,000.

R. McGregor & Sons, New Glasgow, N.S.; wholesale grocery storage building, $25,000.

Swift Canadian Co., St. Boniface, Man.; packing plant, $2 millions.

Knechtel Milling Co., Hanover, Ont.; acquired property and milling plant at Walkerton, Ont., to which additions will be made.

Canada Dry Ginger Ale Inc., Winnipeg, contemplates new unit in Winnipeg, $100,000.

Edmonton Airport, Edmonton; modernization, $485,000.

Lake Sulphite Shows Progress

Over 1,600 Men on Payroll—Start on Pouring Concrete

From Our Own Correspondent

MONTREAL. — Contract for the construction of the Red Rock townsite, which forms part of the Lake Sulphite Pulp development, will be let by the company shortly. This will be the last of the construction contracts to be awarded, orders for mill equipment having already been placed.

About 1,600 men are now employed by the company; by the end of this month construction and woods operation schedule calls for the employment of 2,200. About half of those on the payroll are employed on woods operations where roads and camps have been built and where sufficient wood is being cut to inaugurate milling operations in March next.

At Red Rock, foundation excavations for the mill have been completed and concrete pouring operations have begun. The deepwater docks have been completed.

Drummond Realty Plans Completed

Will Pay Full Interest on Income Bonds on October 1

From Our Own Correspondent

MONTREAL. — Plan of reorganization for the Drummond Street Realty Corp. has been completed and holders of the 6½% mortgage bonds are asked to make the exchange for the new income bonds.

The plan provides for the exchange of the old bonds for new general mortgage 5% income bonds on the following basis: For each old bond, one new bond to an aggregate principal amount of 50% of the old bonds, and for the eight interest coupons matured on each old bond up to August 1, 1935, inclusive, 10% of the principal amount in new income bonds.

Interest at the rate of 2% on income bonds payable out of new income earned by the company during the fiscal year ended April 30, 1936, has been paid to Montreal Trust Co., in trust, for distribution with the new income bonds.

Interest on the new bonds due on October 1, 1937, will be payable at the full rate of 5%.

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MONTREAL

Soo Power Unit To Be Enlarged

Great Lakes Power Co. will develop an additional 10,000 h.p. in its power plant on the Montreal River, according to an announcement by Hon. Peter Heenan, Ontario minister of lands and forests. Arrangements have been completed between the department of lands and forests and the company for carrying out this development at a cost of $1 million.

Demand for power has been created by the construction of a new pulp mill at Michipicoten, development of the Helen mine by Algoma Steel Corp., and the prospective extension of the Abitibi Power & Paper plants at Sault Ste. Marie.

Work on the addition is to start at once and is expected to be completed in about 20 months. This will make the second 10,000 h.p. unit added to Great Lakes Power Co. plants recently as a similar unit was completed last December.

Peel Realties Offer New Plan

Ask Bondholders to Waive Default For Equity Share

From Our Own Correspondent

MONTREAL—Peel Street Realties has called a meeting of the 6½% first mortgage serial bondholders for August 31, to consider plan of capital reorganization.

At present the company has outstanding $229,500 of bonds; $25,000 of 7% cumulative preferred stock and 5,000 shares no par value common. Interest on the bonds has been in default for some time and current earning power is inadequate to meet debt charges.

The company proposes that in return for waiving all defaults, the holders of the first mortgage bonds will receive new 20-year income bonds which will mature in 1957, payable as to principal and interest in Canadian funds only. The income bonds will carry a coupon of 4% for the first five years and 4½% thereafter. Whenever interest arrears amount to 12%, the title to the property will be vested in the trustee for a period of two years, during which the company will have the right to recover ownership by payment of the principal of all outstanding new bonds, with interest and other costs.

Basis of Exchange

It is proposed to exchange the income bonds for the first mortgage bonds on the basis of par for par, together with three shares of common stock for each $1,000 bond held.

An important feature of the plan is that in accepting this reorganization, the bondholders will release the Garment Centre Capital Inc. from its guarantee of the bonds. In turn Garment Centre Capital give up a sufficient number of shares of Peel Street Realties to give the bondholders a share in the equity.

Foundation Co. Awarded Cornwall School Contract

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been awarded a $203,000 contract for construction of the vocational school addition to the Cornwall Collegiate Institute.

In view of the fact that the contracting firm is at present engaged in construction of an extensive addition to the Cornwall plant of Courtaulds (Canada), much of the machinery required for preliminary work on the school is readily available.

Employee Welfare Series

Insurance Embraces Half Million Workers

Canadian Firms Provide Protection For Employees' Dependents Through Death Benefit And Group Insurance Plans

Following is the fourth of a series of articles on employee welfare policies of Canadian industrial employers.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Canadian employers have shown themselves quick to realize that a deeply-rooted concern of almost every worker is the welfare of those dear to him. And the extent to which employers have acted on that realization has eliminated anxiety in this regard from the thoughts of an estimated total of close to 500,000 Canadian employees.

To relieve worry of workers over the protection of their dependents after death, and over the meeting of expenses of final illness and burial, more than 2,000 Canadian employing firms last year paid over $6 millions for group insurance coverage of employees totalling over $550 millions. A portion of this $6 millions was contributed by employees, but in addition numerous companies maintained their own death benefit funds at no expense to their workers.

Although in most cases death benefits amount to substantial sums as high as $3,000, the majority of companies supporting such funds do not regard the system as a substitute for insurance. Employees are either encouraged to take out their own insurance or to supplement the financing of death benefit plans by contributions to group insurance schemes.

Double Purpose

Behind such policies is the feeling that insurance taken out directly by the employee or with company assistance through a group scheme should make more or less permanent provision for the workers' dependents. The death benefits are intended to enable families to meet obligations (including medical and burial expenses) and to make the necessary adjustments in the period immediately following death.

Nevertheless, death benefit plans guarantee to workers and their families a basic protection whose function is closely similar to that of insurance—to furnish surviving dependents with a nucleus of liquid assets to be used pending readjustment or as a basis for permanent subsistence. There is no doubt that in companies with death benefit plans, but no group insurance scheme, many employees are unable or unwilling to carry supplementary insurance and depend entirely on the death benefit provided by the company.

The same thing holds true in regard to companies who contribute protection of workers' families by absorbing all or part of the cost of group insurance premiums. Surveys by insurance statisticians have shown that from 40% to 45% of beneficiaries of group insurance life policies are left with no other insurance protection.

To offset this tendency, efforts have been made along varied lines to supplement the protection enjoyed by dependents from death benefits or company-paid group insurance. Some firms maintain group insurance as well as death benefit plans. Others devise various methods of encouraging workers to carry their own insurance, and work out schemes with insurance firms by which employees can purchase regular insurance at standard rates through weekly or monthly pay deductions.

Companies with pension schemes usually provide for continuation of pensions to dependents and/or payment of lump sum benefits on death of pensioners. Some companies do not rest content with mere payment of death benefits or insurance, but assist families to use their resources to place themselves on a self-supporting basis. The Financial Post learned of a number of cases in connection with one firm in which company officials not only assisted in investing death benefits and group insurance payments, and in buying annuities, but facilitated the training and placement in jobs of dependents, sometimes with the company concerned.

Main Systems

The methods by which employers see to it that employees' dependents are protected in case of death take three main forms:

1. Maintenance of death benefit funds or of group insurance plans entirely at the expense of the company.
2. Operation of group insurance plans the cost of which is shared by the company and employees, or combinations of death benefit and insurance plans in which basic amounts are guaranteed by company and suplementary amounts can be purchased by employees at low rates.
3. Establishment of group insurance or pay deduction plans under which entire cost is paid by employees, though at low rates.

Most provinces have workmen's compensation laws which ensure minimum death benefits and pensions to dependents of workers killed by occupational accidents or dying from industrial diseases. A number of companies supplement these payments with benefits or pensions from company funds, or at least bring the compensation law amounts up to standards set by the firm's plan for sickness and non-occupational accident death benefits. The compensation law funds come, of course, from industry as a whole, including the companies with their own death benefit plans.

Despite a tendency in recent years toward a contributory basis in which the employee pays at least a portion of the cost, it is an impressive tribute to the generosity and social vision of employers that more than half of the schemes for protection of employees' dependents are financed entirely by employers.

Although group insurance was inaugurated in Canada only in 1919, it has shown tremendous growth, as reflected by the figures quoted at the beginning of this article. It is now one of the most widespread forms of employee welfare, and one of the most popular with both employers and workers. One of the reasons for the popularity is that it costs the employee, under contributory plans, only 40 to 60 cents a month per $1,000 of insurance.

Eligibility for death benefits and group insurance is usually based on length of service, and the amounts often adjusted to length of service. Benefits usually range from $250 (to cover medical and burial expenses only) to $3,000, though this maximum is exceeded in concerns which both guarantee paid-up benefits and offer supplementary insurance at low cost.

Typical Plans

The variations between the chief methods employed by Canadian companies in regard to death benefits and group insurance are illustrated by the examples given below:

Bell Telephone Co.—Death benefits equal to 4 to 12 months' wages provided entirely by company for direct dependents; benefit equal to three years' pay (maximum $5,000) in cases of occupational accident deaths, or difference necessary to bring compensation law awards up to three-year-pay level. In 1936, 80 death benefits paid amounting to $55,492. In addition, company sponsored plan enables employees to purchase regular insurance of different types at standard premium rates by periodic deductions from pay. Last year, 2,600 employees carried $9.5 millions of insurance under this plan, or average of $3,636 per employee.

Imperial Oil Ltd. — Company financed death benefits, 3 to 12 months' pay for dependents, ranging from $500 to $2,000 according to length of service; maximum raised to $3,000 to those participating in group insurance plan, which is contributory at rate of 60 cents a month per $1,000, company paying rest. Group payment equivalent to 18 months' pay, so relatives of man earning $1,500 a year would get $1,500 in death benefit and $2,000 group insurance. Provision also made for survivors of pensioners.

Canadian Pacific Railway and Canadian National Railways—Pension plans provide for rebates to dependents if pensioners die before retirement or before pension payments equivalent to employee's contributions. Both railways also permit pensioners on retirement to adjust pension so that payments will continue to dependents after death of pensioner.

Canadian Industries Ltd. — Company financed death benefits ranging from $1,000 to $1,500. Provision for continuation of pensions at discretion.

William Wrigley Jr. Co.—All employees covered by group insurance ranging from $1,000 to $2,000, cost of which is paid entirely by company.

T. Eaton Co.—Employees given discount off regular rates for insurance in T. Eaton Life Insurance Co.

Swift Canadian Co.—Low rate group insurance, cost shared by company and employees. Company supports employee benefit association.

T. S. Simms & Co.—Group insurance, minimum of $1,000 contributory.

Consolidated Mining and Smelting Co.—Since 1920, company has paid full cost of group insurance policies worth as high as $1,500. Workers also enabled to buy supplementary amounts up to $1,000 at group insurance rates. Company will also make monthly pay deductions to cover cost of insurance purchased directly by employees from local insurance agents.

General Foods Ltd.—Basically same as Consolidated Mining plan, with exception of pay deduction arrangement.

Mining Companies

International Nickel—Group policies of $2,500 each available at low rate under cost shared system. Employees now carry more than $20 millions of such insurance.

Noranda—All employees participating in company savings and insurance plan get $1,000 group policy paid for by company.

Hollinger—Plan similar to Noranda.

Dome—Company pays full cost group insurance policies ranging from $500 to $2,000 in value.

Falconbridge—Company pays major portion of cost of $1,000 group insurance policies; men pay 50 cents a month.

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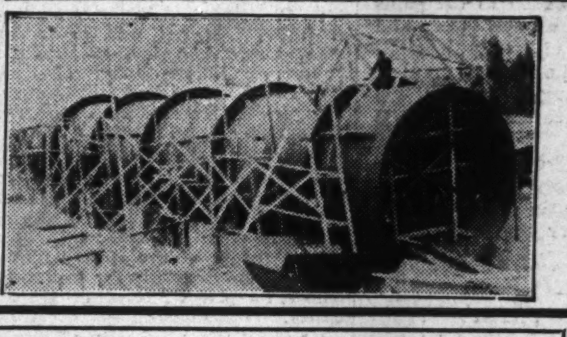

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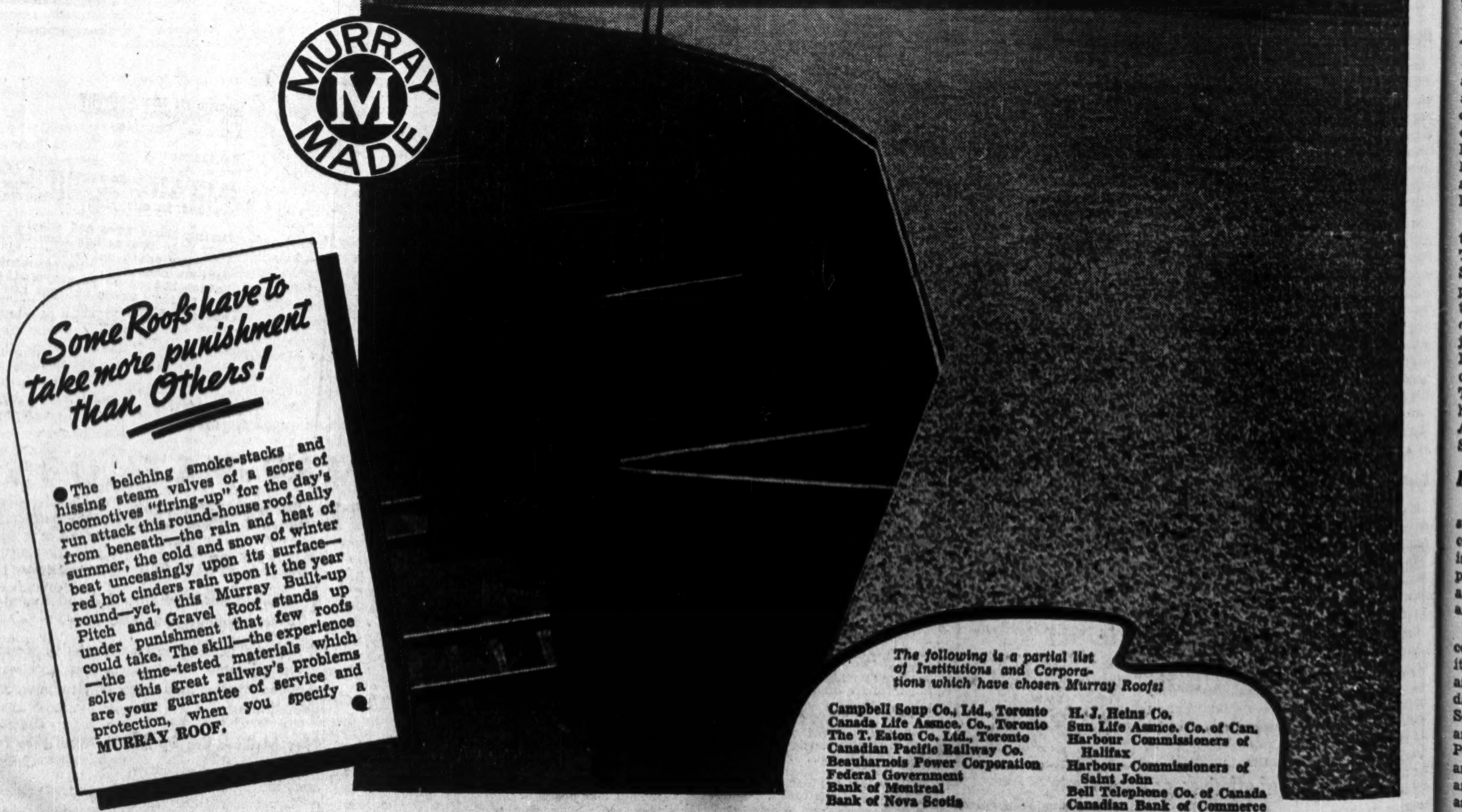

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Canada Life Assnce. Co., Toronto
The T. Eaton Co. Ltd., Toronto
Canadian Pacific Railway Co.
Beauharnois Power Corporation
Federal Government
Bank of Montreal
Bank of Nova Scotia
H. J. Heinz Co.
Sun Life Assnce. Co. of Can.
Harbour Commissioners of Halifax
Harbour Commissioners of Saint John
Bell Telephone Co. of Canada
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Import Boss For Alberta

Aberhart Seen in Backseat as Douglas Lieutenant Takes Charge of Strategy And Moves Against Banks

From Our Own Correspondent

EDMONTON. — Appointment of G. F. Powell, L. D. Byrne and G. L. MacLachlan as temporary members of the Provincial Credit Commission provides the Aberhart Government with the board empowered to issue licenses to bankers, and cancel them.

Mr. Powell and Mr. Byrne are the two English agents of C. H. Douglas, the founder of Social Credit doctrine, and Mr. MacLachlan, M.L.A. for Coronation, is chairman of the Social Credit Board, who went to England to bring Douglas back last spring, and returned instead with Powell and Byrne.

Ostensibly a subsidiary of the Social Credit Board, the new Provincial Credit Commission is to be the highest authority in drafting Social Credit policy.

London Engineer "Boss"

Chief strategist in the Aberhart camp is George Frederick Powell, the London consulting engineer who represents Douglas in Alberta. Powell is playing the rôle of "boss," and his judgment and advice, for the time being, is unquestioned.

Consider Powell's position. He represents Douglas, and is backed up by the guarantees wrung from Premier Aberhart by his insurgent supporters last spring, that Douglas's advice would receive every opportunity for testing in Alberta. He has now become a member of the Provincial Credit Commission, and no one who is close to the scene doubts but that he is dominating policy, and will continue to do so as the commission tackles the job of curbing the banks.

The power to issue and withdraw bankers' licenses was added to this commission in amending legislation in the special session on Aug. 6. Even greater powers were vested in the commission last April.

These powers include:

Creation of the Provincial Credit Account in the Alberta treasury, an account designed to be the fountain head of social credits, to be created by estimating the "unused capacity" of industry in Alberta.

Imposition of a retail discount rate in Alberta, designed, according to Douglas theory, to permit sale of goods below cost through a form of subsidizing merchants in "credit."

Extension of interest-free loans in Alberta Credit to individuals and firms entitled to them.

Collection of tax levies through a credit house.

Maintenance of a reserve of financial credit to cover commitments in ordinary currency.

Imposition of service charges for credit facilities.

Adjustment and settlement of debts referred to the commission for that purpose.

Control of transfers of Alberta Credit.

Control of statistical services, upon which presumably Social Credit policy will be based.

The extent to which Powell has quietly made himself "boss" is recognized by those in touch with the Government and its policies.

Aberhart in Back Seat

Even Premier Aberhart waits upon Powell's advice. For instance, the recent official assurance that the Alberta Government had no designs for interfering with the Turner Valley oil industry could not be issued by Mr. Aberhart until Powell was called in. Mr. Aberhart has been retired to the back seat since insurgents last spring forced control out of his hands into those of Douglas's agents.

Strategy, in the Douglas sense, involves a test of strength with the financial interests, That is, the objective is not to establish Social Credit in Alberta, pay dividends to the people, and by fulfilling Mr. Aberhart's election promises for him save the political career of the Premier of Alberta. The objective apparently is rather to test out Douglas's theory that the existing financial system cannot be forced to reform without a fight. This demonstration, as supporters of Douglas have pointed out, will provide the alibi for Aberhart's failure and preserve the faith of Social Credit devotees in Douglas.

Banks the Scapegoats

In conformity with the Douglas concept of strategy, Powell has launched a vigorous campaign of propaganda, in which Aberhart is the leading campaigner. The popular interpretation in Alberta is that the Government is attempting to make the banks the scapegoats, as the Hitler Government used the Jews.

Undoubtedly public opinion in Alberta is considerably disturbed by this "strategy," for its logic lies in violent onslaughts on banks and others, tending to create a potentially dangerous situation. More mild-mannered Social Crediters are becoming aware of this, and the fact that the author of it all, Mr. Powell, is not under contract, not in the pay and therefore the control of the Government, and is free to step out at any time, is not reassuring to them.

The view that what is at stake in Alberta is a test of Douglas "strategy" rather than a test of a Social Credit plan, puts motives behind current government policy in a different light. The programme, in short, is not Aberhart's, but Powell's.

This circumstance forces revision of the view that the Aberhart Government is preparing for an election. Judging from opinions of private Social Credit members, nothing is further from their Government's intentions.

HAS THE WEST A FUTURE?

By A. G. STREET

TODAY the condition of western Canada is such as to tempt, nay to force one to misquote Milton, and say, "Peace hath her defeats, no less tragic than war." For today the West is a tragedy, which has been written during the peace of the last decade. To the newcomer its sadness is apparent; to those who still play an active part upon its dusty stage its grim horror has become the daily hopeless round; but to those who knew the West of a quarter century ago today's drama is a heart-rending tragedy.

Can't Dismiss Problem

Moreover, it is not the sort of thing which any Canadian, farmer or townsman, easterner or westerner, can dismiss as being neither his business nor his responsibility, or as a farming problem which can be solved only by a change in climatic conditions in God's good time. Either attitude is merely a weak-kneed attempt to dodge or postpone facing a problem which must be faced and that right soon. For further delay must increase the danger.

What are the chief features of today's problem in the three Prairie Provinces?

1. FINANCE—Over a wide area of southern Alberta and southern Saskatchewan there has been either no crop or almost no crop for nine consecutive years. The returns for Saskatchewan give some idea of what this means in dollars per annum. For the last ten years the farmers of this province received some two hundred million dollars per annum less for their produce than the amount received per annum during the previous decade. The same reduction in purchasing power has obtained in southern Alberta and in parts of southern Manitoba. Is it to be wondered that the farming industry of these districts is hopelessly insolvent today?

In other districts, the more northern parts of Alberta and Saskatchewan and in the bulk of Manitoba, where the drought has never been so severe as to cause a total crop failure, one still finds a similar financial condition among farmers as the result of poor crops and low prices during recent years, and no evidence that a return to better climatic conditions and prices would enable the majority to rehabilitate themselves in a financial sense.

The Bankruptcy of Land

2. LAND—Here is an even greater bankruptcy. In the southern districts, where the drought has struck hardest and for a longer period, the spectacle is a pitiable one. Not only has the fertility of the soil been depleted, but also the fibre content. Result, when the summer wind blows the western soil blows with it, fetching up against the fences in drifts as high as the one-time snowdrift of the western winter. Here and there one sees strip farming practised, in a vain attempt to keep the farm in place and enable the farmer to carry on until some miracle happens to put things right once again. And here and there, and soon may be everywhere, one sees the deserted farmhouse and stable, and the ruined land, once a farm and now almost a desert.

There is literally no subsoil moisture, which means that each year the crop must be entirely dependent on spring rains, which need to come at least weekly if any worthwhile harvest is to be reaped. This year in early July, instead of rains there came hot winds and a temperature of 110 degrees in the shade! And another crop died in infancy!

In the more northern districts, which have not dried out so completely, two glaring illustrations of the harmful effect of man's occupation upon western acres are to be seen. The first is in the steady lessening of yield per acre during the past quarter century; and the second is the importance of weeds and pests. Given the best climatic conditions, the yield per acre is down by at least 30 per cent; most fields are yellow with wild mustard; and, even during the season when rain falls in adequate supply, rust takes its toll of the crop.

3. PEOPLE—under this heading, without doubt, comes the greatest tragedy of all—a farming community, which is fast losing, or has already lost, all hope for the future. In the districts which have experienced almost total crop failure for the past nine years this is hardly to be wondered at. Indeed, the fortitude of countless men and women in the West today is a thing at which to marvel; for, when all pleasure and security depart from life and when dust takes their place both indoors as well as out, it is well nigh impossible for human beings to retain their self respect.

Disappointed Middle Age

But everywhere in the West, even in the less droughted areas, one finds a population of disappointed middle-age. The spring has gone from the people. They are so worn and tired of the struggle. They are too old ever to come again. To anyone who knew them 20-odd years ago, when they were young and enthusiastic, when the West was a land of glamour and success, and when every year was a better year, the change is horrible to witness. They have now only two things for which to hope, either meaning discharge from the beaten army of Western Agriculture. One is a legacy or gift from home—and home means either Great Britain or eastern Canada—of sufficient value to enable them to flee a country which has defeated them; and the other is death which solves all human problems.

There is, however, one notable exception to the general rule, and that is the one-time immigrant from central Europe. In spite of crop failures, drought, rust and low prices, the West today is to him a haven compared with the hell of his former home. Here he is a free man, and maybe a landowner of sorts; there he was practically a slave or at best a very lowly paid farm servant. Moreover, a standard of living which is dire poverty to the British or Canadian born, is comparative luxury to such a settler. Here surely is a serious problem?

What Are the Remedies?

The foregoing would seem to be an unexaggerated view of today's position in the West. What are the chief causes of such a lamentable change in its condition? And, far more important, what are the remedies?

There seems to be two different opinions as to the cause. One puts the whole of the blame on to Dame Nature, and the other on to mankind. A better estimate would be to apportion the blame between these two culprits on a 50-50 basis. The laws which govern Nature's conduct are controlled by a Higher Power than man. To their dominion he must submit, and in this instance they have pressed and are pressing very hardly upon him. History shows that many many years ago there was a cycle of dry years in the West, and now this climatic happening has repeated itself, bringing about the collapse of what had been

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Hired Man Turns Author

By HON. DUNCAN MARSHALL
Ontario Minister of Agriculture

Arthur G. Street was born on Ditchampton Farm, Wiltshire, England, in 1892. He grew up as most farm boys do in England, and was educated at a boys' school which gave a special course in agriculture. After his graduation, at 18, he found that he was only acting as a sort of errand boy on the farm. He asked for a better position and his father suggested that if he knew of a better job he might find it. His reply was that he damned well would and then he got a lecture for swearing.

Soon he was bound for Montreal with a contract to work for a farmer 50 miles northwest of Portage La Prairie. He arrived at threshing time and found driving a bundle rack and pitching sheaves to the machine to be a rather tough job for a green young man. He was good stuff, however, and in a short time was able to do his share, and for the three years he remained he qualified for a first-class farm worker on the prairies.

It was a lonesome job, but this young man became attached to the prairies and finally decided that he would farm in western Canada. But the war broke out and he went back to England.

Toward the close of the war, he helped his father, crippled with rheumatism, on the farm, and after his father's death, he managed the farm for one year for the estate and then took it over on his own as a tenant.

When the war was over and the boom in agricultural prices had subsided, he was among the many farmers who found their incomes depleted but their expenditures still high. He decided that dairying was the only thing that would recoup his losses.

He established a dairy of 70 cows (the number is now 140) and for five or six years he looked after this business himself,

By accident he wrote a letter to "The Daily Mail" about farming and seemed to tell the truth so directly and in such simple and expressive language that they paid him three guineas. He continued scribbling from time to time but not adding greatly to his income. He was urged to tell the story of farming from the inside by Miss Edith Oliver, author of "Dragon's Blood." She was quite sure that if he told the story in the same, simple, direct manner, the book would sell.

He studiously attempted to write out what was really his own life history, up to that time, in farming. He continued his milk business, but inside of eight weeks produced "Farmer's Glory," which almost immediately became the most popular book of its kind in Britain. Seven separate editions were published in two and a half years.

A. G. STREET

Since that time Arthur Street has been known as the author of not only "Farmer's Glory" but of "Strawberry Roan," "Land Everlasting," "Hedge Trimmings," "Long Furrow," "Moonraking," "The Gentleman of the Party," in all, some 12 books, all based upon the land.

During his trip this summer through Canada and United States, he made a most favorable impression. His speeches were welcomed by both businessmen and farmers.

Has Capitalism Failed?

By Sir George Paish

This is the second of a group of articles written by Sir George Paish, internationally famous British economist, appearing exclusively in The Financial Post. In it he brands as impracticable attempts at autarchy by some European nations, and advances arguments against control of business by government.

IT MUST be clearly understood that the question of world recovery cannot be answered by any nation endeavoring to detach itself from the great world and to pursue a policy of isolation and self-sufficiency. The clock cannot be put back to the time when each nation was isolated and, by force of circumstances, self-sufficient, and when its population was no greater than could be supported under those conditions.

SIR GEORGE PAISH

The populations of all countries are far greater now than can be supported by any such policy, and any such endeavor would create so much distress in the countries that really attempted it that internal revolutions would become inevitable.

Even in the matter of food, a policy of self-sufficiency, however apparently successful for a time, is highly dangerous. No country is immune from crop failures and were a country unable to satisfy its needs from other countries when its crops failed, privation and possibly starvation would be the result. Moreover, crop failures occur simultaneously in many countries from time to time and unless any individual country has access to the supplies of the entire world that country may be unable to support its people in a year of scarcity.

Isolation Impracticable

It is now widely recognized that a policy of isolation and self-sufficiency for individual nations is impracticable. Consequently a great deal of thought and investigation has been given to the possibility of several nations co-operating together with a view to a policy of regional self-sufficiency. But such regional action has also been found to be impossible.

The nations which considered the matter discovered that they could not be self-sufficing, as the chief markets for their products, and some of the most important markets from which they needed to purchase, were beyond their borders.

Policies of isolation and of self-sufficiency whether of individual nations or of regions are impracticable and are no answer to the question of what should now be done to overcome the grave dangers to which all nations are exposed. Indeed, the effort of the nations to become self-sufficing has greatly increased the difficulties and is in no small measure the cause of the increasing danger to which every nation is now exposed.

A very widespread belief has been created in many countries that the political, economic, and financial problems with which the nations are confronted cannot be successfully solved unless democracies are replaced by dictatorships, and nations are placed under control of supermen with power to settle policy and to compel the people to act as they are commanded. All experience proves, however, that dictators are as liable to err as democracies and are infinitely more dangerous to their peoples.

Need For Criticism

An error of judgment by one superman may imperil the lives of multitudes, both in his own nation and in other nations, in the absence of that criticism to which every governmental policy needs to be subjected in order that its soundness may be tested before it is applied.

Indeed, one of the obstacles to be overcome before the great world machine can be effectively restored is the fact that so many nations are under the control of "supermen." They have no fundamental knowledge, either of economic law or of the kind of world in which they are living, and imagine that improvisation can take the place of knowledge and sound judgment. They are themselves governed by prejudices and not by reason and understanding.

No survey of modern progress can fail to convince the impartial that progress has been greatest in those countries where the peoples have been free to think and to act for themselves. It may indeed be affirmed that the instincts and common sense of free peoples where they could be freely exercised and find expression, have made a far greater contribution to the world's progress than the apparent but superficial "wisdom" of even the most powerful statesmen.

If nations were to rely for their salvation upon the "superman" all hope of stopping the world's drift to chaos would have to be abandoned.

Complex of Fear

In no small measure the present drift to chaos is due to an almost universal complex of fear which is affecting the policies and actions of nations much as the fear complex influences individual persons. Excessive fear causes nations to suffer from the madness of delusion just as it causes individuals to go crazy, and to act in a manner that tends to create the conditions of which they are afraid.

The fear of another war caused the Allied Nations to impose impossible terms upon Germany in 1919 in the belief that by so doing the latter would never again be in a position to make another war. By fearing a new war the nations create the danger of a new war.

Again the nations were obsessed by the fear of their industries being ruined by foreign competition. Accordingly they raised their tariffs so high that international trade was so greatly reduced that the industries of practically every country were gravely injured by their inability to sell their products either at home or abroad. Ruin was feared and ruin came by the action of each country in endeavoring to avert it.

Had the nations acted with confidence and courage, the expansion of trade would have been so great that every industry in every country would have prospered.

Fear of Bankers

Again the fear of the bankers of all countries lest they should not be able to collect their loans to the public caused them to withdraw these loans and consequently brought about a situation of extreme difficulty, both for the bankers and for their debtors.

The governments of many nations in their fear of revolution are today pursuing policies which if continued will inevitably lead to revolution.

All nations in their fear of political, economic and financial breakdown are today following courses which will render the world breakdown infinitely more serious, complete, and disastrous.

Whatever efforts are made to modify and to change the policies of the nations in the coming months nothing effective can be accomplished until this fear obsession is replaced by the spirit of courage and of sanity. Therefore the very first step to be taken is for the nations to face their problems, not to run away from them, and to endeavor to solve them in a reasonable and common-sense manner by individual as well as by collective action believing that they will succeed, indeed, determined to succeed.

It is easy to see the wrongdoing of others, it is difficult to see where we ourselves are in error and responsible for what others do. When each nation and each government is prepared to stop doing what after careful examination it finds to be wrong, and is prepared to do what it knows to be right in collaboration with other governments and nations, the delusions from which the entire world is now suffering will be proved to be without foundation and a new feeling of hope and confidence will spread from one end of the earth to the other.

It will be this hope and confidence that will enable the right measures to be taken that will ensure peace, both internal and external, and that will raise all nations to a far higher standard of prosperity than hitherto has been within the range of the practicable. Courage and confidence must be the mental qualities of governments and of peoples—not fear and distrust if the difficulties confronting all nations are to be overcome.

There is widespread conviction that the world's economic and financial difficulties arise from the failure of the capitalist system to find a method of enabling all that can now be produced to find a market and to be consumed by the hundreds of millions of people that are today in real need of food, clothing and adequate housing.

Satisfaction of Needs

It is true that much remains to be accomplished and that measures are urgently needed to enable the vast multitudes in want to satisfy their needs even in periods of expanding trade and of increasing production, and that this work must be taken in hand under whatever system is adopted. Only by raising the standard of life in all countries can unlimited prosperity be attained.

Nevertheless it must be acknowledged that a system which brought about a five-fold

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Synthetic Age In Germany

Objectives of Four-year Plan Changed To Provide Wider Industrial Picture Without Benefit of Imports

By MURRAY R. CHIPMAN
Eastern Manager, The Financial Post

BERLIN.—Introduction of the Four-Year Plan as announced by Herr Hitler at the Nazi Party Congress in September last, brought a significant change in Germany's objectives.

Previously, self-sufficiency in foodstuffs was the primary goal, with a corresponding large purchase of raw materials for industry from abroad. But at this Party Congress the Realmleader virtually admitted that Germany could not hope to become fully self-sufficient in foodstuffs, and would be better to concentrate her disciplined effort, research and enthusiasm on the production of a wider range of raw and auxiliary materials. This does not mean, however, that efforts are not being vigorously carried out to produce as much as possible of the 17% of food products which Germany still must buy now from foreign sources. (It used to be twice that percentage.)

Whole Nation Regimented

Probably the circumstance most impressive about the Four-Year Plan is the degree to which the whole nation is being regimented to its fulfillment.

Even before the adoption of the Plan the degree of government regulation of business was marked. Today, however, despite official assurances that private enterprise carries on without state interference, it is apparent that the industrialist and the farmer are increasingly commanded to do what is "voluntarily" asked of them.

The financing of the construction of the major plants for the production of the synthetic materials has been done by leading German concerns using their resources and credit standing for public issues rather than through the Reichsbank. But since the production costs are considerably in excess of world prices on the natural product, the Reich guarantees at the outset to purchase all the production at a price which covers both the higher production costs and a small profit. Thus private capital and enterprise are financing the Four-Year Plan upon a basis of guaranteed government support.

Philosophic Basis of Plan

The philosophic basis of the plan is set forth in the report on economic conditions in Germany, prepared by E. C. Donaldson Rawlins, commercial counsellor to the British Embassy in Berlin:

"A further feature of National-Socialist policy is the speeding up of old, and creation of new, plans for the organization of all economic resources within Germany in such a way as to render the country as independent of foreign supplies as possible with a view to guaranteeing a basis of existence for the nation under any circumstances. It is contended that the failure of the farmer would lead to a collapse of German economy and also spell disaster to the whole German nation . . .

"Since 1933 the exploitation of natural resources in Germany has been carried out irrespective of the commercial aspect judged by world market standards. Mining operations for low-grade ores have been considerably extended. Oil boring activities have increased. The synthetic production of petrol, fibres and rubber has been actively promoted. The objects of this expensive endeavor are both social and strategic. Labor for German citizens is provided on German soil and some degree of insurance against the risk of shortage of raw materials in time of war is effected.

Self-sufficiency Impossible

"Although self-sufficiency is pursued as an ideal, it is recognized that complete self-sufficiency in Germany cannot be achieved—at least for many a long year . . . In this connection the Chancellor has said:

" 'We know that the geographical situation of Germany, a country poor in raw materials, does not permit of self-sufficiency. It must be emphasized again and again that the Government is anything but hostile toward exports.'

"He went on to say that Germany must needs keep in touch with the rest of the world, for millions of Germans obtain their livelihood by working for export . . ."

To the foreigner who, like myself, comes to Germany for a short visit, the development in the Four-Year Plan of greatest interest, is the manner in which the modern trend to synthetic substances is being utilized to make Germany "independent" of other producing nations.

What are the synthetic products most needed and how successful is the progress being made in arranging for their production within Germany?

First in importance are motor fuel and rubber—first because of the vital part they play in modern transportation in peace or war. And both are produced from coal, of which Germany's supplies may be considered unlimited.

There is reason to believe that Germany will be able to meet from 80% to 90% of her motor fuel requirements by 1939. The objective is 100%, which may be unattainable. This does not include Diesel engine fuel, however, the percentage of this heavier fuel oil self-sufficiency being estimated at only 25% of requirements within two years.

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Insurance

Move to Strengthen Underwriting Body

Report to Insurance Superintendents Calls for Company Co-operation in Adhering to Definitions, Rulings

Much of the discussion at the annual conference of the Association of Superintendents of Insurance, which will be held in Toronto next week, is expected to centre about the report of the standing committee on definition of underwriting powers.

An "undenominational" body comprising board and non-board insurers, this body defines in what classification various risks fall, and is considered by many as a clearing house through which the public and the insurance departments may present their cases to the companies and vice versa. At present 80% of the companies have agreed to abide by its rulings, but it is the contention of the committee that its work would be much more effective if all companies would co-operate.

It is pointed out that, while no complaints were received from the public, a number were made by insurers who claimed that certain companies, some of them nominally co-operating with the committee, were not adhering to its decisions. The report contains the significant statement that, "This lack of company co-operation appears to be the greatest obstacle to the progress and work of the joint committee in stabilizing and establishing uniform and fair practices with the other than life insurance business."

A further proposal would give the superintendents the right to require filing of policies for approval; in other words, would give the necessary power to enforce rulings of the joint committee.

The report on accident and sickness insurance details formation of an accident and sickness underwriters' committee about two months ago. Several amendments on substantive law will be recommended to the conference. One of these would provide for renewal contracts; another that the accident policy which may now be issued by a railway corporation be extended to aviation and other transportation

Group Insurance

Consideration of life insurance will be restricted largely to group business. The report states that group insurance, while increasing in volume, is not undergoing any marked change. Sale of group annuities, however, promises considerable development, and, it is suggested, is a subject worth considering along with group life.

A standing committee on group life insurance was recently appointed by the Canadian Life Insurance Officers' Association to draw up rules for conduct of the business. The need for legislation will naturally depend on the steps taken by this committee. The conference is expected to discuss need for a definition of group life, and also to discuss whether the New York definition might be applied here. It is probable that the whole subject of group life insurance will be discussed at the conference with a view to obtaining full information on the problems involved. This would prepare the way for legislation to be considered at the 1938 conference.

Fire Insurance

For the first time in four years, discussion on fire insurance will deal with substantive law rather than statutory conditions. In recent years, definite amendments in regard to the latter have been proposed by company representative, but have been rejected by other interests. Of major importance this year is a recommendation that the scope of fire insurance be broadened. It is pointed out that the public is and will be asking for a wider variety of protection than can now be given by fire companies, and that the definition of fire insurance be extended to provide for these demands.

Other recommendations of the committee on fire insurance legislation refer to limitation of liability and definition of mercantile or manufacturing risk as it now appears in section 98 of the Insurance Act.

The committee on valuation of securities again recommends that the basis of valuation approved by the United States be adopted here.

Britishers Seek War Risk Limit

Would Insure Cargo Only 48 Hours After Arrival

British ocean marine underwriters are negotiating with underwriters in other countries in an attempt to have a 48-hour clause attached to the "waterborne only" clause in war risk insurance policies.

Under the present clause cargo is covered while it is waterborne. In other words if for any reason unloading of a ship is delayed after it reaches port, or if the cargo is unloaded to a lighter and remains there for some time, it is still insured against war risk. Under the British proposal, the policy would cover for 48 hours after a ship reaches port, and no longer.

Insurance men in Great Britain are impressed with the terrific damage which could result from airplane bombing of a large port full of shipping. To raise rates in order to take care of this hazard would be a hardship on shippers whose cargoes are unloaded promptly. If the proposal is adopted, an additional rate could be quoted to cover a period in excess of the 48 hours.

The effort to secure limitation is considered in line with the agreement entered into by British underwriters late last year not to underwrite property on land against the perils of war.

British Hull Agreement Increases Marine Rates

A new hull agreement has been concluded in the British insurance market, in which Lloyd's and the marine offices in London and Liverpool are concerned.

The new agreement applies to all vessels, including yachts, and to ships of all flags and to all business both original and reinsurance. It is placed on a sliding scale whereby the increase in rate is adjusted to the increase in value as compared with that of the expiring policy.

New Licenses

The following companies have been granted federal certificates of registry to transact the lines of insurances named in addition to those for which they are already registered:

Imperial Assurance Co.—Aircraft, earthquake, property damage caused by vehicles.

Affiliated Underwriters—Hail, property damage caused by vehicles.

Fireproof-Sprinklered Underwriters—Hail, property damage caused by vehicles.

New Hampshire Fire Insurance Co.—Aircraft, property damage caused by vehicles.

Individual Underwriters—Hail, property damage caused by vehicles.

Metropolitan Inter-Insurers—Hail, property damage caused by vehicles.

New York Reciprocal Underwriters—Hail, property damage caused by vehicles.

First American Fire Insurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Hanover Fire Insurance Co.—Falling aircraft, civil commotion, hail, property damage caused by vehicles.

Transcontinental Insurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Glens Falls Insurance Co.—Falling aircraft, earthquakes, hail, property damage caused by vehicles.

North River Insurance Co.—Falling aircraft, property damage caused by vehicles.

United States Fire Insurance Co.—Hail, property damage caused by vehicles.

Scottish Canadian Assurance Corp.—Falling aircraft, civil commotion, property damage caused by vehicles.

General Accident Assurance Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Grain Insurance and Guarantee Co.—Falling aircraft, hail, sprinkler leakage, tornado, property damage caused by vehicles.

Canadian Surety Co.—Falling aircraft, hail, civil commotion, property damage caused by vehicles.

Canadian Indemnity Co.—Falling aircraft, civil commotion, property damage caused by vehicles.

Canadian Fire Insurance Co.—Falling aircraft, property damage caused by vehicles.

Fire Insurance Co. of Canada—Property damage caused by vehicles.

Arkwright Mutual Fire Insurance Co.—Property damage caused by vehicles.

Underwriters Exchange—Hail, property damage caused by vehicles.

London and Provincial Marine and General Insurance Co.—Inland transportation.

British Empire Assurance Co.—Falling aircraft, property damage caused by vehicles.

Lumbermen's Mutual Casualty—Burglary.

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The Federal Department of Insurance has granted a certificate of registry to the Loyal Protective Insurance Co. authorizing it to transact in Canada life insurance, sickness insurance and insurance against bodily injury and death by accidents. E. M. Watt, Toronto, has been appointed Canadian Chief Agent.

FIELD EXECUTIVE

REQUIRED By Canadian Fraternal Society writing modern types of Life and Sickness insurance. Ability to organise and direct high class sales force essential. Splendid opportunity for man of ability. Apply in confidence to Box 109, The Financial Post, Toronto.

NOTICE

Notice is hereby given that Affiliated Underwriters, Fireproof-Sprinklered Underwriters, Individual Underwriters, Metropolitan Inter-Insurers and New York Reciprocal Underwriters have received Certificates of Registry Numbers C-441 to C-445 inclusive authorizing the above Exchanges respectively to transact in Canada the business of hail insurance and insurance against loss of or damage to property caused by vehicles limited to the insurance of the same property as is insured under a policy of fire insurance of the Exchange in addition to the classes for which they are already registered.

V. W. GERRISH
Chief Agent for Canada

July 19, 1937

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY

Great Britain Shows Advance In Life Sales

New Business Higher in 1936 for Fifth Successive Year

ANNUITIES DOWN

For the fifth successive year, life insurance in England recorded an impressive gain in volume of new business during 1936, according to the annual insurance number of the Stock Exchange Gazette.

Figures indicate that the 50 largest companies in the British Isles wrote net new insurance last year of £233.6 millions, as against £214.6 millions in 1935 and £199.8 millions in 1934. Premiums on total business were more than £4 millions higher last year at £76.4 millions. Expense ratio dipped slightly to 15.1% and assets gained £41 millions to £886 millions.

Discourage Annuities

The amount of single premiums received in 1936 was slightly greater than in the previous year, but consideration received for annuities declined for the first time since interest rates have been moving downward. This decrease is partly accounted for by the rate increases effected by the companies in an effort to check the flow of large amounts to them at a time when suitable and profitable investment is difficult. One of the features of British life insurance in recent years has been the growing popularity of the family income type of policy and a tendency to swing over from higher premium endowment insurance to whole life.

The average rate of interest earned by the life companies dropped 1s. 3d. in 1936 to £3, 4s. 6d. "That the decline was not greater," points out the Gazette, "is a reflection of the expert attention which is given to investment problems by the insurance companies. While recent investment in securities has undoubtedly tended to depress the yield, the effect of this has been partly mitigated by the improving return on holdings of ordinary shares and by the diversion of the new moneys to mortgages on properties."

Dominion Offices

Eleven large "Dominion" offices transact business in the Old Country, six of these being Canadian. Complete information on these companies for 1936 is not yet available, but the 1935 new business total of ten of them indicates that they are still about £3 millions under the peak year, 1930. Annuity income, in particular, has shown sharp reduction in the last few years, the Dominion companies having deliberately discouraged this type of business by drastic revision of the terms offered to the public. Canada Life receipts fell from more than £1.5 million in 1934 to £277,000 in 1936, while those of the Sun Life dropped from £1.3 million to £541,000 in the same period.

Average expense ratio of the Dominion companies runs about 21%, or almost half as much again as that of the domestic companies. It should be pointed out, however, that many of these companies transact a worldwide business, entailing in some countries much greater proportionate expenditure, for which the premiums charged in those countries are suitably loaded.

Expect 1,000 Agents At Toronto Conference

Close to 1,000 life insurance agents are expected to attend the Ontario provincial convention of the Life Underwriters Association in Toronto, scheduled for Oct. 29.

Among the speakers who have been lined up are C. Preston Dawson, of Wm. H. Beers Co., New York; A. E. N. Gray, assistant secretary of the Prudential Insurance Co., Newark; J. E. Kavanagh, vice-president of the Metropolitan Life, New York; and Thomas Bradshaw, president of the North American Life, Toronto.

SALES HEAD

G. Fay Davies, whose appointment as superintendent of agencies of the National Life Assurance Co. was made last week. Mr. Davies was formerly assistant general manager and secretary of the Northern Life.

Bank Chat

Personal Loans

Experience of the National City Bank of New York in regard to personal loans has been usually successful, according to Roger Steffan, vice-president of the bank who directs that particular department. In the nine years the bank has been making this type of loan, a total of $243 millions has been distributed. Losses have amounted to $24,452, almost exactly 1/100th of 1%.

Despite this showing Mr. Steffan sounds a warning to banks who may be thinking of adopting a personal loan plan—and it is a warning which might be attributed only in small part to selfish motives. There is not enough business in any particular city to justify every commercial bank there having a personal loan department, he contends, if that department is to be adequately staffed, rates kept low and a return assured which will make the business worth its salt.

Bank of Canada Weekly Statement

A Copy—Bank of Canada ... .

Feature changes in the Bank of Canada statement for the week ended Aug. 11 include a decrease of more than $4 millions in deposits of the chartered banks and an increase of $4.4 millions in holdings of short-term Government securities. Note circulation advanced $1.5 million during the week.

Balance Sheet

	Aug. 11 1937 $	Aug. 4 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	142,865,061	141,373,858
Rest fund	743,716	743,716
Depos.: Dominion ..	22,180,559	21,482,899
Banks	174,260,807	178,386,389
Other	837,837	818,004
Total deposits	197,279,203	200,687,292
All other liabs.	2,515,180	3,089,005
Total liabs.	353,503,159	355,993,871
Assets		
Reserve: Gold	179,476,508	179,491,904
Silver bullion	2,558,543	2,520,545
Res. in sterling and U. S.	22,146,104	21,992,080
Other curr.	1,161	1,161
Total reserve	204,182,316	204,005,690
Subsidiary coin	159,338	182,842
Investments:		
Dom. govt. short .	40,607,272	36,211,497
Other Dom. govt. .	94,438,319	94,807,052
Other secs.	9,995,067	9,994,436
Total invest.	145,040,658	141,012,985
Premises	637,065	621,920
All other assets	3,483,784	10,170,434
Total assets	353,503,161	355,993,871
Reserve ratio	60.02%	59.64%

Staff Changes

The Bank of Nova Scotia has appointed F. T. FRITZ to be accountant at Stellarton, N.S.

The Bank of Nova Scotia has made the following changes in staff:

J. A. KYLE to be accountant at Guelph, Ont.

D. F. DEWAR to be accountant at Queen & Lansdowne, Toronto.

H. G. FITZGERALD to be manager at Peterborough, Ont.

M. G. TRAINOR to be manager at Sudbury, Ont.

Federal Govt. Deficit Totals $77.8 Millions

Final Results Show Deficit to be $10 Millions Below Estimate

Final results show the over-all deficit of the Dominion Government in the year ended March 31, 1937, to have been $77.8 millions or almost $10 millions below the estimate made by Hon. C. A. Dunning, minister of finance, in his budget speech last spring. This compares with a deficit of $159.9 millions in the 1935-36 fiscal year.

The improvement in the budget position during the year was almost entirely due to increases in revenues, total expenditures for the period being only $581,000 lower than in the 1935-36 year. Revenues on the other hand amounted to $454.1 millions, an increase of $81.5 millions.

Total tax revenue for the year amounted to $386.5 millions, compared with $317.3 millions in the previous year. Major increases came from income and excise taxes which totalled $102 millions and $152 millions respectively. These are also the two major sources of revenue.

Special expenditures, which include relief, were reduced during year by $24 millions.

Reduction in these expenditures, however, was offset by an increase in ordinary expenditures of almost $19 millions and a write-off of $18.4 millions of active assets, sundry loans and advances. These write-offs were mainly in connection with debt adjustment schemes in Manitoba and Saskatchewan.

Gross Debt Up $110 Millions

Total liabilities of the Government as at March 31, 1937, are shown at $3,542 millions, an increase of $110 millions over a year earlier.

Funded debt outstanding is shown at $3,285 millions, an increase of over $73 millions.

Active assets are shown at $458 millions, compared with $425 millions in the previous year. Thus, the net debt of the Dominion as at March 31 last was $3,084 millions an increase of $78 millions during the year.

Dominion Government Revenues and Expenditures Years Ended March 31

Receipts:	1937 $ 000's	1936 $ 000's
Taxation revenue:		
Customs duty	83,771	74,004
Excise duty	45,957	44,710
Excise taxes	152,474	112,733
Income tax	102,365	82,710
Misc. taxes	1,984	3,455
Total tax revenue	386,551	317,312
Interest on invests. ...	11,231	10,614
Post office	34,275	32,512
Canada Grain Act ...	1,192	1,213
Miscellaneous	11,780	10,571
Total ordinary revenue	445,029	372,222
Special receipts	8,464	320
Capital receipts	616	27
Other credits	45	27
Total revenue	454,154	372,596
Expenditures:		
Ordinary	387,112	372,539
Special	78,004	102,047
Govt. enterprises	44,219	50,940
Capital	3,491	6,544
Other	19,179	515
Total expenditure ...	532,005	532,586
Deficit for year	77,851	159,990

July Revenue $37 Millions

Revenues of every department of the Dominion Government continue to record increases over last year's receipts, collections for the month of July being $3.5 millions higher than in the corresponding month of last year. This brings the total increase for the first four months of the current fiscal year to $35.9 millions which is only $6.1 millions less than the estimated increase of $42 millions for the entire 12 months, made by Hon. C. A. Dunning, minister of finance, in his budget speech.

Expenditures were reduced by $3.9 millions due to reduced outlays for relief. Ordinary, capital and C.N.R. expenditures all show increases.

C.N.R. Deficit Higher

Hopes that the C.N.R. deficit will be reduced in the current year as a result of rising operating revenues are not borne out by the Government accounts. Provision for C.N.R. deficit during the past four months has totalled $23.3 millions, an increase of $800,000 over the provision made in the same period of last year.

Dominion Government Revenues and Expenditures Four Months Ended July 31

Receipts:	1937 $ 000's	1936 $ 000's	Change $ 000's
Customs duty ...	31,152	26,423	+4,729
Excise duty	17,871	15,488	+2,383
Excise taxes	53,111	39,434	+13,677
Income tax	86,350	72,130	+14,220
Post office	10,203	9,401	+802
Sundry	5,734	5,904	—170
Special	692	361	+331
Total revenue ...	205,113	169,141	+35,972
Expenditures:			
Ordinary	125,375	124,312	+1,063
Special	11,363	17,455	—6,092
Capital	1,147	1,034	+113
Govt. enterprises	23,764	22,784	+980
Miscellaneous ...	91	145	—54
Total expenditure	161,740	165,730	—3,990
Month of July			
Receipts:			
Customs duty ...	7,609	6,370	+1,239
Excise duty	4,862	4,273	+589
Excise taxes	16,263	13,028	+3,235
Income tax	4,742	6,153	—1,411
Post office	2,601	2,500	+101
Sundry	1,805	1,714	+91
Special	12	238	—226
Total revenue ...	37,894	34,275	+3,519
Expenditures:			
Ordinary	34,939	34,544	+395
Special	2,724	4,879	—2,155
Capital	456	742	—286
Govt. enterprises	8,553	7,127	+1,326
Miscellaneous ...	21	23	—2
Total expenditure	46,693	47,316	—623

Weekly Bank Clearings

	Aug. 12 1937 $	Change Year Ago %	Aug. 5 1937 $
Halifax	2,426,598	+ 4.5	2,857,970
Saint John .	1,728,152	+42.2	3,647,360
Moncton	727,944	+ 5.1	826,112
Sherbrooke .	684,894	+29.1	781,805
Quebec	4,935,539	+35.2	5,702,375
Montreal	96,606,651	+11.8	137,100,471
Ottawa	22,649,106	—11.6	21,222,677
Kingston	540,013	+ 5.7	615,428
Peterborough	567,155	— 9.4	564,100
Toronto	91,229,654	—13.3	116,030,765
Hamilton	5,207,290	+27.3	4,853,378
Kitchener ..	960,615	— 2.7	959,725
Brantford ...	882,730	+ 1.3	1,031,086
London	2,727,427	+15.0	2,556,706
Chatham	541,597	— 1.5	367,381
Windsor	2,518,779	+ 8.6	3,100,627
Sarnia	526,062	+ 7.7	396,703
Sudbury	1,072,570	+ 2.0	870,861
Fort William	749,984	—21.8	769,200
Winnipeg ...	34,853,199	—40.1	......
Brandon	298,988	+ 4.8	361,217
Regina	3,272,050	+11.7	3,350,701
Moose Jaw ..	531,781	+ 4.8	573,029
Saskatoon ..	......	...	1,244,653
Prince Albert	375,506	+20.3	......
Edmonton ..	......	...	3,692,018
Calgary	4,473,754	+ 2.1	5,205,780
Medicine Hat	200,720	—13.3	252,063
Lethbridge ..	445,219	+ 4.8	416,589
N. W'minster	746,002	+ 0.2	731,712
Vancouver ..	18,186,907	+ 4.8	20,173,169
Victoria	1,759,915	+10.1	1,937,083

Crown Zellerbach Pays Dividend on Common

From Our Own Correspondent

MONTREAL.—Directors of Crown Zellerbach Corp. have declared an interim dividend of 25 cents on the common stock; the first payment to be made on this issue after a lapse of about seven years.

While no figures have been issued by the company, it is stated that earnings for the quarter ended July 31 ran substantially in excess of profits in the corresponding three months' period in 1936.

FIDELITY
Insurance Company
of Canada
TORONTO

BURGLARY and ROBBERY
INSURANCE
Storekeepers' Burglary
and Robbery
Residence Burglary — Inside and Outside Hold-up
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LAST year Northwestern Mutual distributed $1,143,727 in dividends to its policyholders. As a result the actual net cost of fire insurance on thousands of Canadian homes and businesses was substantially reduced.

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Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

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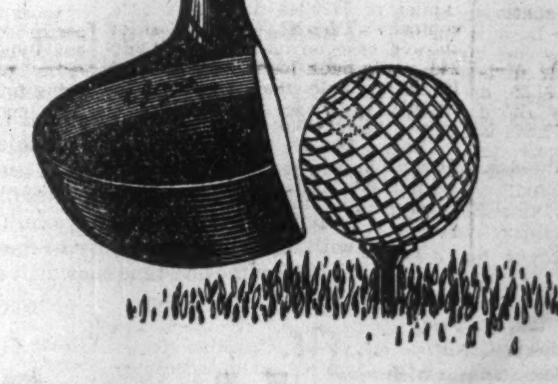

"... I don't see any need of Beverage Rooms"

Overheard at a golf club

1st Member: I enjoy a drink as much as any man, and I certainly would never vote for prohibition. But I still don't see the need for beverage rooms.

2nd Member: Never use them yourself, eh?

1st Member: Well, no. I sometimes have a glass of beer with lunch; but I'd willingly give that up to abolish all the abuses beverage rooms give rise to.

2nd Member: What abuses?

1st Member: Well this business of people drinking too much and—what is it the drys say?—"reeling home"?

2nd Member: Of course, there are always a few people who abuse any privilege. But you saw plenty more in the days of prohibition, didn't you? As a matter of fact, you'll find that lots of people who used to overdo it regularly in blind pigs, drink pretty moderately in the present day beverage room...

1st Member: Maybe you're right there: But I still think they're sort of unnecessary. Why wouldn't just sale by the case do?

2nd Member: Perhaps beverage rooms *are* unnecessary to you. You can afford to buy anything you want and drink it in comfortable surroundings. But what about the working man? Why have a law only for the rich!

1st Member: How do you mean?

2nd Member: A man engaged in hard manual labour may need a glass of beer after the day's work more than anyone else. Are you going to force him to buy a whole case at a time? Or lug it home with him, before he can have even one glass. Is it sporting, is it democratic to keep all the privileges that appeal to you, while you take away from those less fortunately placed the chance of drinking a wholesome, mildly-stimulating beverage in legal surroundings?

1st Member: It is a bit different put that way—I guess you're right.

● *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*

1832 1937

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Abitibi Share Values

Can you give me an outline of how the holder of Abitibi Power & Paper Co. 6% preferred is likely to fare under the suggested reorganization plans, particularly with relation to the present price of the common?

Comparison of prices of Abitibi preferred and common indicates that preferred shares are more conservatively valued in relation to proposed new securities to be issued than are common. For instance, under bondholders' plan, each common share is to receive one tenth new common share plus right to purchase another one half share. In comparison, each 6% preferred share would receive 3½ new common shares plus right to purchase 4 additional shares. Initially, therefore, present 6% preferred should be worth 35 times common stock, and will receive option warrants to buy 8 times as much of new common stock additional. If 6% preferred were to take new common offered, and also to purchase all the four shares, and common were to take one tenth share and to purchase the half share, each preferred would end with 12½ times as much of the new common as each present common. But the proportions to be purchased in cash suggest the preferred is worth more than 12½ times the present common. Preferred has been selling at about 10 times price of common.

Brazilian Traction

Does it appear that prospects for increased earnings and dividend payments on Brazilian Traction common give interesting speculative possibilities to the stock?

Brazilian Traction Light & Power appears likely to earn over $1 a share this year, but even if $1 is paid in dividends yield is not very large at present stock. Before the depression, company was able to earn and pay a dividend of $2 share. Since that time, however, the company's rates have been reduced by government decree, and there has been a decline in value of Brazilian currency. In recent months, the milreis has risen above 6½ cents, giving an increase in dollar value of earnings. With further economic recovery, company may be able to pay more steady dividends. That possibility is, to some extent, discounted in price of shares.

Imperial Oil

Is there any prospect of an increase in dividend payments by Imperial Oil Ltd., which would make the stock a desirable speculation?

Imperial Oil Ltd. is stable dividend payer, distributing $1.25 a share annually, considerably above the net profits per share. There is no prospect of early increase in dividend, and possibilities in investment for present appear limited.

Western Grain Co.

What appears to be the prospect for Western Grain Co. recovering its earning power?

Western Grain Co. has a chance of coming back, depending to a large extent to crop conditions in future years.

The company's elevators are largely situated in southern Saskatchewan and other sections of western drought area. Through past four years company has been able to show earnings sufficient to cover depreciation charges and to pay operating expenses, but inadequate after deductions to cover bond interest. The interest has been maintained, in effect, out of depreciation charges. As this year's poor crop necessitates closing a lot of elevators, the company is conserving its resources by stopping bond interest payment for present. Outlook for the coming year is not good, because there is little or no grain from this year's crop for storage ore handling. The holder of Western Grain securities will have to wait at least another crop year before there is likely to be much improvement.

Ontario Silknit

I notice that Ontario Silknit Ltd. preferred stock gives a yield of over 10% at present prices. Can you give me any information about conditions which might account for this high yield?

High yield on the Ontario Silknit preferred indicates doubt of the investing public as to company's ability to continue payment of dividends and a none too strong financial condition.

In 1936, Ontario Silknit Ltd. earned $3.28 a share on preferred compared with $11.60 a share in 1936. Reduction in profit was chiefly due to substantial loss on Canadian operations. Early in 1936 company wiped out arrears of $20.75 a share by issuing income funding rights for $20 and 75c. in cash for each share. Weakened liquid position of company's treasury made necessary postponement of interest on these funding rights until June 12, 1937, instead of April 30, when it was due. Funds have been obtained from financing carried out by the Australian subsidiary in that country. We are informed that the first months of 1937 showed some improvement over the corresponding period of 1936, but labor troubles at the Toronto plant in May forced the company to transfer export business from Toronto plant to that in Great Britain. This combination of disappointing earnings in 1936 and labor difficulties has been largely responsible for the decline in market price of this stock. The stock is offered below 60, suggesting doubt about the dividend.

Eastern Theatres Preferred

Can you suggest any reasons for the low price and consequent high yield on the preferred stock of Eastern Theatres, Ltd.?

Eastern Theatres preferred sells to give a high yield because, although the full annual dividend of $7 a share has been paid for two years, it has not been covered by earnings. In 1936 the company showed earnings of $1.15 a share, and in 1935 $1.70 a share. Company has increased working capital despite payment of dividends above earnings. This is largely because the company is charging depreciation at over $40,000 a year, and part of the dividend is, in effect, coming out of depreciation charges. The balance sheet shows that land, buildings and equipment, carried at $1,044,000, have been subjected to depreciation write-offs of $670,000. Liquid position is satisfactory, current assets consisting largely of Government bonds, Company operates the Imperial Theatre in Toronto, and is controlled by Famous Players Canadian Corp.

Monarch Knitting

Can you give me any information to account for the large decline in market price of Monarch Knitting Co. preferred stock?

Monarch Knitting Co. reported a net profit of $17,239 in 1936 against $62,597 in 1935. Earnings per share amounted to only $2.20 on preferred stock, although dividends of $7 a share were paid. Arrears of dividends on this preferred stock were slightly over 50% at end of 1936. Company blames competitive conditions in Canadian market, especially in full-fashioned silk hosiery, combined with rising costs and increased taxes, for comparatively unfavorable showing in 1936. Although Monarch Knitting had working capital of $779,449 at end of 1936, company's actual liquid position showed cash on hand of only $55,240, while bank loans were $222,994. It is probable that tendency for costs to increase and profit margins to become lower has continued in 1937, although larger sales volume may have been achieved. Stock is quoted at around 60 bid, compared with a high for 1937 of 86, giving a yield of over 10% if $7 dividend continues.

Belgo Canadian Paper

I hold some of the preferred stock of Belgo Canadian Paper Co. As I have had no report on this company for several years, I would like to know how it is getting along.

Belgo Canadian Paper Co. went out of existence some time ago. In the reorganization plan of Canada Power and Paper, under which the properties were taken over by Consolidated Paper Corp., the holders of Belgo preferred were given three shares of Consolidated Paper common stock for each share of preferred held. Obviously you should make this exchange.

Huron & Erie

I am a holder of Huron & Erie Mortgage Corp. common stock and have been thinking of buying more in view of the high yield obtainable. Can you give me any indication as to whether or not the present 5% dividend is reasonably secure?

The dividend paid on Huron & Erie Mortgage Corp. has been reduced on three occasions since 1933. The present rate of 5% was established on April 1, 1936. The company earned $6.09 a share in 1936 and $6.05 a share in 1935. We were informed some time ago that the company's position had improved in the early part of 1937. Collections and sales of real estate have improved, particularly in Ontario, but Huron & Erie will undoubtedly be hurt by another year of crop failure in much of western Canada. Demand for new mortgages, however, continues unsatisfactory, but it appears probable that 1937 earnings will be about as good as those in 1936. Under these circumstances, the $5 dividend is likely to continue. No very rapid rise in earnings is looked for, but purchase of the stock at 80 or less would provide a yield of around 6%.

Royal Exchange Bonds

Holding a 6% first mortgage bond of Royal Exchange Building, I would appreciate your comments on the financial position of this company.

Letters were recently sent to bondholders by Royal Exchange Building Corp., Winnipeg, explaining the current situation which caused the company to pass interest on its 7% general mortgage bonds. The company stated it would be able to continue interest on the 6% first mortgage bonds, but would be unable to make sinking fund payments.

One of the largest tenants, the Manitoba Wheat Pool went out of business not long ago and left two floors in the building vacant. There has been competition for tenants in Winnipeg office buildings and the company had to make some rent concessions to the Canadian Wheat Pool. However, new lease arrangements give the company adequate revenue to pay operating expenses and first mortgage interest. While the financial position is not entirely favorable, prospects for continuation of interest on the 6% bonds appear reasonably good.

Fanny Farmer

I would appreciate a discussion of the investment merits of Fanny Farmer Candy Shops Inc.

Fanny Farmer Candy Stores operates 210 retail candy shops in the United States, of which 85 are in New York State and 35 in Massachusetts, with balance distributed in 10 other states. Management is almost identical with Laura Secord in Canada. Company has made steady progress since establishment in 1919 and estimates of earnings for 1937 are given at $2.40 a share compared with actual earnings of $1.50 in 1936. Profits for first six months of 1937 were equal to 87 cents a share against 57 cents in the corresponding period of 1936. Higher sales and profits are always experienced in last half of year. Present dividend rate is $1 a share, but extra payments are expected to bring total disbursement for 1937 to $1.75 compared with 87½ cents in 1936. It has also been forecast that regular dividend rate is likely to be established at $2 for 1938. Company is planning an expansion over next few years which probably will result in doubling number of stores operated.

Goodyear Tire

I am thinking of buying Goodyear Tire & Rubber Co. common at around 94 and would appreciate your comments on this stock.

Goodyear Tire & Rubber Co. of Canada showed earnings in 1936 of $4.73 a share, and over the past 12 months has paid dividends of $5 a share, including the "extra" of $2.50 on Jan. 15, 1937. This year company's business has improved, and in view of the official statement that company has been well protected as to raw materials, it appears that earnings have been satisfactory. Company's business is not type, however, that shows sensational advances, but is likely to show reasonable growth. At the close of 1936 company had a net working capital of approximately $9 1/3 millions. With such a strong financial position there seems to be no reason why it should not continue to disburse all its earnings. On a $5 dividend basis, yield on the shares at $94 is not unattractive, although the possibilities of increase are probably limited. It is largely a question of whether investor is willing to pay a high price for an equity security on hopes of steady rather than sensational improvement in investment.

Laura Secord

I have been wondering whether or not to hold my Laura Secord Candy Shops, Ltd., stock and would appreciate your comments on the company.

Laura Secord Candy Shops Ltd., earned $4 a share in year ended Sept. 30, 1936, and has shown profits stabilized at around this figure for a number of years. The company obtains approximately $1 a share of its earnings from its Government bonds. The company operates about 80 retail candy stores in Ontario and Quebec. Regular dividend of $3 has been paid since 1929. No indication has yet been given of company's intention of increasing this rate, At last annual meeting, President F. P. O'Connor described company's dividend policy as one of providing for eventualities with objective of building up $2 millions in reserves. At Sept. 30, 1936, a surplus of $1.2 million was shown.

United Securities

Can you tell me of any factors in relation to United Securities, which would cause the bonds to sell at such a low price?

United Securities receives a large share of its income from its common stock holdings in Montreal Tramways Co. Dividend policy of latter is largely controlled by a contract made between company and Montreal City in 1918. This contract has been under attack for some time and the Quebec Government has formed a commission to investigate the situation and, if necessary, to revise contract. Consequently investment merits of Montreal Tramways stock has been affected and in turn United Securities' bonds. Hence relatively high yield.

Canadian Bronze

Will you please let me know what you think of the preferred and common stocks of Canadian Bronze Co.?

Canadian Bronze Co. does not issue quarterly or half-yearly statements, so that it is not possible to say how earnings are shaping up. Record of this enterprise over a period of many years has been favorable, and preferred has always paid regular dividends. The common is, of course, less stable but paid reduced dividends through depression.

A point to consider is that company's operations and earning power are largely dependent upon railroad activities. The company has enjoyed a good volume of business from both Canadian National and Canadian Pacific in past two or three years. Outlook, however, is not very clear cut, in view of anticipated short crop in West. This means that there may be smaller volume of grain to be moved by rail, which in turn will mean a smaller demand for bushings and bearings such as manufactured by Canadian Bronze.

Brewers & Distillers

On the basis of present dividends, Brewers & Distillers of Vancouver stock gives a high yield. Can you give me any information as to the investment quality of this stock?

Brewers & Distillers of Vancouver earned 94 cents a share in 1936. First quarter of 1937 is reported to have shown slightly higher profit than during the same period, 1936. A dividend of 40 cents a share plus a bonus of 10 cents a share was paid on May 20, 1937. Brewers and Distillers was recapitalized late in 1936 when its 7.5 million shares of no par value common were converted into 750,000 shares of $5 each. The company is withdrawing from American market and concentrating on its Canadian business. Reason given for capital reorganization of 1936 was to permit distributions from liquidation of American type whiskies which are not to be replaced in inventory. As a result of this liquidation, capital distribution of $1 a share was made Feb. 1. The directors forecast a regular dividend policy of at least 8% when stocks of American type whiskies have been marketed. It is not possible to calculate on accurate yield because dividend rate has not yet been established. You might note that yields on brewing and distilling stocks are usually high. The net profit for 1936 was highest since 1930 and reflected increase in volume of business both in brewery operation and also in business from distilling plants.

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31

CANADIAN BANK NOTE COMPANY
Limited

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and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

The Abitibi Plan 2.

Satisfaction for Bonds

Principle is to Give Bondholders Value For Their Claims While Contributing Elasticity of Charges For Welfare of Company

This is the second in a series of articles on the bondholders' committee's plan for reorganization of Abitibi Power & Paper Co., which is to be voted on, by bondholders only, on Oct. 15.

One of the chief principles laid down by the bondholders' committee of Abitibi Power & Paper Co. in connection with reorganization is this:

"Subject to making provision for necessary new money to discharge the obligations of the receiver and manager and for replacements, improvements and working capital, the bondholders have the right to receive securities of the new company resulting from reorganization of a value equal to the bondholders' aggregate claims for principal and interest."

The committee's reorganization plan, on this principle, proposes distribution to bondholders in satisfaction of claims of some $130 per $100 of bonds, as follows:

1. $50 of 5% general mortgage bonds convertible into stock, three shares per $100 of bonds.
2. $70 of 5% debentures, interest payable only if earned, convertible into stock, 4½ shares for $100 of debentures, between the end of the first year and the end of the tenth year of issue.
3. One-half share of stock for balance of claim.

Effects of Proposals

It is important to note the general effects of these proposed arrangements.

First, it is clear that distribution of $50 per $100 of new fixed interest bonds cuts the present mortgage in half. This is a concession by bondholders to give the company a reduction in fixed debt charges. In compensation for this concession, on the possibility that such relief may enhance the value of common shares over the years, it is proposed to give a permanent conversion feature on the general mortgage bonds.

Secondly, bondholders would obtain most of their compensation in the form of convertible income debentures. This would give the company elasticity in payment of interest charges and compensating elasticity to bondholders in the form of a more generous conversion privilege than on the proposed general mortgage bonds. Sinking funds on both issues would be on a percentage of earnings, after providing for payment of interest. Thus retirement of bonds would be on a substantial scale when earnings were high, but the company would not be pressed for funds to make such retirements if earnings were low.

An aspect that appears to have been overlooked in many comments on the Abitibi plan is that half the accruals to the sinking funds for the general mortgage bonds and convertible debentures may be invested in the proposed first mortgage bonds. In addition, therefore, to providing for elasticity in retirement of the two 5% issues, the sinking fund proposals might allow rapid retirement of the proposed $14 millions of 4½% first mortgage bonds.

Market Values

The half share of common stock would probably have a value of between $5 and $10 initially.

While the original market value of the new securities might not equal the full $130 of bondholders' claims for each $100 of bonds, members of the committee feel that their scheme should give a better market value for bondholders than any other proposals that have so far been made.

For the welfare of the company as a whole, combined with consideration of the bondholders' immediate interests in both income and value, the principal points to remember are:

1. That the plan reduced the company's total fixed interest charges.
2. That it gears the rate of debt retirement largely to the rate of earnings.
3. That conversion features in new securities for present bondholders would provide compensation to them if their sacrifices eventually enhance the value of Abitibi shares.

CANADIAN SECURITIES

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Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

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Peterborough Examiner
St. Catharines Standard
St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel Review

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 16

Range 1937 High	Low	Div R'te $	Aug14 Y'ld %		Sales	Last Aug. 9	Week end. Aug. 16 H	L	Cl'se
				A					
15½	5	*	...	Abitibi	21630	5⅜	7½	5⅜	6½
80	41½	*	...	Do. pref. 6%	3556	61	63½	61	61½
97	60	*	...	Do. pref. 7%	....	(.75 bid .83 asked)			
79½	41	*	...	Do. cert. dep.	801	61	61½	61	61½
6½	4	10c	...	Acadia Sugar	....	(— bid 5 asked)			
18½	9	50c	5.5	Acme Glove	....	(— bid 11 asked)			
94	75	6.50	8.7	Do. pref.	....	(.75 bid — asked)			
12	8½	60+30c	.	Agnew Surp.	235	12	12	11¾	12
110	105	7	6.4	Do. pref.	....	(107 bid 110 asked)			
7	3	*	...	Alta. Pac. Gr.	325	3	3½	3	3
43½	15	*	...	Do. pref.	20	15⅞	16	16	16
135	114	.	...	Aluminum	50	118	118	118	118
130	130	6+7.75▲	.	Do. pref.	....	(130 May 19)			
7	4	*	...	Amal. Electric	5	5	5	5	5
31	26	.	...	Do. pref.	....	(.30 bid .35 asked)			
35⅞	29⅞	15c	...	Amer. Cyn. B.	10	35	35	35	35
92	84	.	...	Asbestos, c.	1039	87½	90	86	89
16	11	80c	5.5	Assoc. Brew.	12	13⅞	14½	14½	14½
111	106	7	6.3	Do. pref.	....	(111 bid — asked)			
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
57	51	1.26	...	Do. pref.	....	(— bid .46 asked)			
102½	100	5.50	5.5	Ault & Wiborg pf.	....	(— bid 100 asked)			
				B					
60	57	2.25	3.7	Bank of Canada	79	58½	60	58½	59
161½	143	8	4.9	Bk. Can. Nat.	33	161	161½	161	161
245	219	8	3.5	Bk. Montreal	115	223	224½	223	224
340	305	12	3.6	Bk. N. Scotia	11	336	337	335	337
273	246	10	4	Bk. Toronto	7	250	250½	250½	250½
8	6	.	...	Barcelona	....	(4½ bid 7½ asked)			
15	10	96c	9.6	Barker's Bread	145	10	10⅜	10⅜	10⅜
48	43½	2.50	5.7	Do. pref.	....	(— bid .48 asked)			
24⅞	17	.	...	Bathurst Pr.	4205	21½	22½	21½	22½

Range 1937 High	Low	Div R'te $	Aug14 Y'ld %		Sales	Last Aug. 9	Week end. Aug. 16 H	L	Cl'se
39	34	1.37½	...	Economic Inv.	....	(35½ bid 37 asked)			
24	17	1.60+10c.		Electrolux	640	18⅞	19	18½	18½
8½	4½	.	...	Enam. & Heat.	....	(5 bid 6½ asked)			
7	5	.	...	Equitable Life	10	5⅜	5⅞	5⅞	5⅞
40	30	62½c	...	English Electric	260	39	39½	38	38½
16⅞	10	.	...	Do. (B)	136	14½	14½	14	14½
10½	7½	30c	...	European El. A.	....	(7½ bid — asked)			
.65	.65	.	...	Do. Warrants	....	(15 bid — asked)			
				F					
13	8	.	...	Fairchild Air	775	10⅞	10½	10	10
35	24	.	...	Fam. Players	....	(20 bid — asked)			
34	25	.	...	Do. Vot. Tr.	....	(— bid 30 asked)			
25½	19	50c	...	Fanny Farmer	7787	24⅞	25½	24⅞	25½
10½	10	.	...	Fleet Aircraft	....	(9 bid 10 asked)			
29⅞	21½	1	3.8	Ford Motors A.	3142	25½	25⅞	25	25½
2½	1	.	...	For. Pr. Secs.	....	(1 bid 1½ asked)			
31	23	.	...	Foundation Co.	170	24½	24½	24	24
50	29	.	...	Fraser Cos.	1300	42½	46	45	45½
50	29½	.	...	Do. Vot. Tr.	4336	43⅞	47	44½	46½
52	44	.	...	Freiman, pf.	....	(45½ bid — asked)			
11	6	.	...	Frost Steel	....	(7 bid 8 asked)			
107	100½	7	6.7	Do. pref.	10	102	103	103	103
48	40	.	...	Do. pref. (A)	70	45½	45½	45½	45½
				G					
14	11½	.	...	Gatineau	590	13⅞	13⅞	13⅞	13⅞
76	74½	.	...	Do. pref.	360	76	75⅞	74½	74½
18½	8	.	...	Gen. St. Wares.	6955	14	17½	14⅞	16⅞
110	76	.	...	Do. pref.	1507	92½	106½	94	104
95½	82	2.50+2.50		Goodyear Tire	250	92	95	92⅞	95
57	52⅞	2.50	4.5	Do. pref.	205	54⅞	54⅞	54⅞	54⅞
26⅞	13½		...	Gt. Lakes Pap.	4174	20½	24½	20½	24½
51	33	.	...	Do. pref.	2131	46	51	46	51
3½	1½	.	...	Gt. W. Saddlery	15	1½	1½	1½	1½
40	29½	.	...	Do. pref.	....	(25 bid 35 asked)			
15½	7½	20c	...	Gurd. Chas.	745	11½	13	11½	13
105	95	7	6.7	Do. pref.	....	(100 bid — asked)			
18½	11⅞	.	...	Gypsum, Lime	9310	12	14	12	13½

Range 1937 High	Low	Div R'te $	Aug14 Y'ld %		Sales	Last Aug. 9	Week end. Aug. 16 H	L	Cl'se
				Z					
7½	3⅞	.	...	Zimmerknit, c.	195	5½	5⅞	5½	5⅞

† 1936.

▲ On account of arrears.

b New York quotations.

‡ Plus extra of $2 paid Feb. 1, 1937.

• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

Mining Stock Quotations

WEEK ENDED AUG. 16, 1937

Par Val.	Range 1937 High	Low	Company	Sales	Close Aug. 9 (or last)	High for week	Low for week	Close Aug. 16
1	.10½	.03	Afton	4,500	.04	.04	.03½	.03½
No	1.90	.73	Aldermac	111,113	1.35	1.36	1.20	1.24
1	.04½	.01	Alexandria	12,000	.02½	.02½	.01½	.01½
No	8.75	4.50	Anglo-Huronian	1,004	5.75	5.95	4.50	5.95
1	1.42	.36	Argosy	20,077	.40	.50	.41½	.50
1	1.42	.33	Arntfield	8,900	.40	.44½	.35	.40
No	.09	.02½	Arno	2,300	.03½	.03	.02½	.02½
1	.15	.07½	Ashley	4,000	.07½	.08	.08	.08
1	.27	.06	Astoria Rouyn	73,200	.07½	.10½	.07	.10
50c.	.16	.07	Aztec	200	.12	.12	.11½	.11½
1	.36	.16	Bagamac	42,957	.36	.40	.33	.37
1	1.85	.64	Bankfield	87,655	.74	.91	.70	.89
1	.65	.24	Base Metals	16,700	.35	.35	.20	.29
No	1.75	1.00	Beattie Gold	18,185	1.10	1.26	1.10	1.26
1	.65	.20	Beaufor	800	.25	.27	.27	.27
1	1.70	.38	Bidgood Kirk	252,718	.42	.80	.42	.76
1	.72	.40	Big Missouri	10,723	.50	.54	.47	.54
1	.29	.12	Bobjo	20,500	.16	.17	.15	.17
1	1.14	.19	Bouscadillac G. M.	8,400	.21	.26	.20	.26
No	9.00	6.40	Bralorne	1,590	7.40	7.50	7.40	7.50
1	.15	.06	Brazil Gold	......	(.06 Aug. 3)			
1	.21	.07	Brett Trethewey	12,000	.07½	.09½	.08	.08½
1	.13	.03	Brownlee	800	.04	.05	.04	.05
1	12.50	8.25	Buffalo Ankerite	2,402	9.50	11.00	9.00	10.87
No	.06½	.02	Buffalo Can.	1,000	.03	.03	.03	.03
5	30.00	23.50	Bulolo Gold	790	25.00	25.00	23.75	24.75
No	.23	.10	Bunker Hill	25,900	.16	.17	.15	.16
No	2.30	.89	Can. Marlartic	29,675	1.26	1.45	1.20	1.42
1	1.75	1.41	Cariboo Gold	800	1.50	1.57	1.54	1.57
1	.47½	.14	Cartier Malartic	6,900	.14	.19½	.14½	.19½
1	1.66	.91	Castle Trethewey	5,600	.98	1.10	1.00	1.10
1	.65	.25	Cent. Cadillac	11,050	.28	.35	.28	.35
1	.31	.05	Cen. Manitoba	17,500	.05½	.06	.05½	.06
1	5.25	2.10	Cen. Patricia	19,975	2.60	3.05	2.62	3.05
1	.43	.09	Cen. Porcupine	3,600	.12	.14½	.12	.14½
No	1.47	.60	Chromium	11,300	.82	.80	.75	.80
5	10.00	3.00	Coast Copper	360	5.50	5.50	5.50	5.50
1	.03½	.01	Cobalt Contact	2,600	.01½	.01½	.01	.01½

Par Val.	Range 1937 High	Low	Company	Sales	Close Aug. 9 (or last)	High for week	Low for week	Close Aug. 16
1	1.28	.40	Omega	38,137	.48	.68	.48	.68
1	2.20	.85	Oro Plato	39,922	1.82	2.10	1.70	2.07
1	.30	.10	Osisko	100	.15	.16	.16	.16
1	1.10	.30	Pandora	17,800	.58	.62	.53	.62
No	4.05	1.90	Pamour	19,688	2.55	3.20	2.60	3.15
1	.42	.15	Parkhill	10,299	.17	.20	.17	.19½
1	3.80	1.90	Pato Cons. G.	1,725	2.05	2.25	2.15	2.25
1	.41	.11	Portanen Gold	23,300	.14½	.19½	.13	.19
1	.06	.01½	Pawnee Kirk	4,000	.02½	.02	.02	.02
1	.46	.12	Paulore	5,900	.19	.20	.19	.20
1	1.38	.49	Paymaster	79,025	.57	.68½	.56	.66
1	.35	.22	Payore	12,375	.32	.32	.28	.31
1	6.75	2.55	Pend Oreille	17,585	4.70	4.70	4.35	4.50
1	2.51	.70	Perron Gold	32,950	1.00	1.23	.95½	1.20
1	.03½	.01½	Peterson Cobalt	......	(.01½ bid .02½ asked)			
1	9.20	4.90	Pickle Crow	20,140	5.50	6.90	5.40	5.95
1	6.85	3.65	Pioneer Gold B.C.	3,745	3.95	4.00	3.90	4.00
1	17.50	15.00	Placer Development	30	16.50	16.50	16.50	16.50
1	.11	.03½	Porcupine Crown	1,000	.03½	.04	.03½	.04
1	2.20	.75	Powell Rouyn	96,550	1.63	1.74	1.55	1.60
1	4.00	1.95	Premier Gold	9,160	2.50	2.45	2.30	2.40
1	1.47	.55	Preston E. Dome	360,020	.97	1.38	.97	1.38
No	1.75	1.10	Prospectors Air's.	600	1.75	2.00	1.60	2.00
1	.88	.30	Quebec Gold	900	.40	.40	.38	.40
No	.48	.07	Quemont	......	(.10 bid .... asked)			
1	6.85	2.80	Read Authier	4,525	3.75	4.15	3.85	4.15
1	1.78	.29	Red Lake	44,560	.35	.42	.32	.41
1	2.00	.40	Red Crest	13,100	.60	.65	.60	.64
1	1.35	.72	Reno Gold	12,460	.87	.96	.85	.95
1	1.52	.70	Reeves McDonald	2,750	1.25	1.10	1.00	1.00
1	.22	.06	Reward	2,900	.08½	.09	.08	.09
1	.16	.04	Ritchie	5,300	.04½	.09	.04½	.09
1	.12½	.02½	Robb Montbray	35,900	.03½	.04	.02½	.03½
1	.48½	.09	Roche Long Lac	24,200	.12	.18½	.12	.18
1	2.40	1.25	San Antonio	14,535	1.60	1.70	1.60	1.66
1	1.13	.35	Shawkey	26,700	.55	.68	.55	.65
50c.	.83	.57	Sheep Creek	7,050	.82	.90	.80	.90

OIL STOCKS

VANCOUVER STOCK EXCHANGE

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

August 17, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 17	Asked	Bid Aug. 10
†Assoc. Tel. & T.	5½	'55	82½	85½	83
▲Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	62½	65½	62½
‡Bell Telephone.	5	'55	112½	115½	113
‡Do.	5	'57	119	121	119½
B. C. Power	4½	'60	99	102	99
B. C. Tele.	4½	'61	106½	109½	106½
‡Calgary Power.	5	'60	96	99	96½
‡Do.	5	'64	95	98	95½
†Can. Nor. Pwr.	5	'53	103	106	103
‡Dom. Gas & El.	6½	'45	85½	88½	87
‡Gatineau Pwr.	5	'56	102½	105½	102½
‡Do., A	6	'41	100½	103½	101
‡Do., B	6	'41	100½	103½	100½
Gt. Lakes Pwr.	4½	'56	93	96	93½
‡Inter. Hydro-El.	6	'44	83	86	83½
‡Inter. Power	6	'37	98½	101½	98½
‡Do.	6½	'57	99½	102½	99½
▲Do.	6	'55	101	...	101
†Macl'n-Que. Pr.	5½	'61	101½	104½	101
†Do.	5½	'64	100½	103½	100½
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L., H. & P.	3½	'56	99	102	99
†Mtl. Tramways	5	'41	100½	103½	100½
†Do.	5	'55	79½	82½	80
Nfld. L. & P.	4½	'56	99	102	99
N. S. L. & Pr.	4	'57	98½	101½	99
†Ot'wa L. H. & P.	5	'57	104½	107½	104½
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	99	102	99
Saguenay P., B.	4½	'66	102	105	102
*Do., A	4½	'66	100½	103½	100½
†Shaw. W. & Pr.	4	'61	98	101	98½
†Do.	4½	'70	104	107	103½
†United Secs.	5½	'52	80	83	79
†West. Pwr. Co.	5	'49	104	107	104
‡Wpg. Elec., A	4	'65	75	78	75
‡Do., B	4	'65	63	66	62½
Industrial and Realty Issues					
†Abitibi P. & P.	5	'53	97½	100½	98½
Acadia Sugar	4½	'55	100	...	100
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'47	107½	110½	107½
†Canada Cement	4½	'51	103	106	103
†Canada Paper	4½	'52	97	100	98½
Can. Steamship	5	'57	73	76	73
Can. Canners	4	'51	99½	102½	99½
Can. Bakeries	6½	'45	100	...	100
‡Can. Inter. Pap.	6	'49	101½	104½	101½
C. P. R.	3½	'51	95½	98½	96
Do.	4	'49	99½	102½	100
Do.	4½	'44	101	104	101½
†Can. Vickers	6	'47	96½	99½	97
†Consol. Paper	5½	'61	96	99	93
‡Dominion Coal	6	'55	100½	107½	100½
▲Do.	5	'40	104½	107½	104½
▲Dom. Stl. & C.	6½	'55	107½	110½	113½
Dom. Tar	4½	'51	100	103	100½
Dom. Textile	4½	'55	105½	108½	105½
†Donnacona P.	4½	'56	87½	90½	88
†Famous Players	4½	'51	97	100	97
†Fraser Cos.	6	'50	103½	106½	103½
†Gen. Steel W.	4½	'52	96½	99½	96
Great Lakes P.	5	'55	97½	100½	98
†Gypsum, Lime.	5½	'48	101	104	101
‡Gr. Br. & Can. Invest.	4½	'59	86	89	86
Hamilton Cot.	5½	'48	103	106	103
Ham. By-Prod. Coke	5	'50	99	102	97½
†Inter. Paper	6	'55	98	101	98½
†Inter. P. & P. Nfld.	5	'68	102½	105½	102½
Inter City Bak.	5½	'48	103	106	103
†Kingston Elev.	6	'50	96½	99½	96½
Lake St. John P. & P.	5½	'61	101	104	101
Do.	5	'61	84½	87½	84½
†Lond. Can. Inv.	4½	'48	95	98	95
†Massey-Harris	5	'47	97	100	97
†McColl-Front.	6	'49	103½	106½	103½
†Mersey Paper	6	'49	100	103	99½
‡M. & O. Paper	6	'45	74½	77½	73½
Nat'l Grocers	4	'47	100½	...	100½
Nor. Ont. Bldg.	6½	'39	97	100	97
†Price Bros.	5	'57	101½	104½	100
‡Prov. Paper	5½	'47	101	104	101½
Queen's Hotel	6	'47	98	101	98
†Restigouche C.	6	'48	108½	111½	109
†Rolland Paper.	5½	'51	103	106	103
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	97½	100½	97½
†Smith, Howard	4½	'51	104	107	103½
†Steel of Canada	6	'40	109½	112½	110
Sterling Coal	6	'40	94½	97½	94½
*Twin City	5½	'52	76	79	79
United Amuse.	5	'36	99	102	99
United Corp.	5	'53	95	...	95
Union Gas	4½	'50	100	103	100
▲Wabasso Cot.	4½	'51	97	100	97½
Windsor Hotel	6½	'43	82	85	82
Do.	6	'47	42	45	42

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Winnipeg Stocks

(Transactions from Aug. 9 to Aug. 14)

	Sales	High for period	Low for period	Close Aug. 14
Dickstone Cop.	5,200	.67½	.06	.07
Flin Flon	6,100	.07½	.06½	.07
Forty Four	25	1.00	1.00	1.00
Frontier	200	.10	.10	.10
Gurney	3,500	.37	.35	.37
Gold Lake	1,000	.03	.03	.03
Hen'g Maloney.	1,000	.05	.05	.05
Knee Lake	500	.02	.02	.02
Monarch Gold	375	1.25	.90	1.15
Star Lake	1,000	.02½	.02½	.02½
Ore Grande	2,000	.02	.02	.02
Packsack	1,000	.11	.11	.11
Sachigo River	325	13.25	11.00	13.25
Split Lake	700	.07½	.06½	.07½
Wings	125	1.00	.95	1.00
United Grain N	30	8.00	8.00	8.00
Wendigo	2,800	.34	.25	.31
Wingold	1,000	.03	.03	.03
Wylie Dom.	1,400	.31	.30	.30
Wpg. R. Tin	1,500	.02	.02	.02
Wallace Lake	33,000	.02½	.01	.02½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope, c.	..	3¾
Federal Grain, com.	..	4
Home Investment	22	25
Northern Can. Mtge., pf.	3	..
Northern Trust	8¾	..
Traders Bldg.	..	90
West. Steel, pfd.	11	15

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended Aug. 16

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	50½	50½

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 17, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	4.00	4.50
Acadia Sugar, pfd.	4.25	4.95
Acme Farmers Dairy, pfd.	44.00	49.00
Algoma Steel, com.	17.75	18.25
Do., pfd.	85.00	87.00
Andian Nat.	52.75	53.75
Assoc. Tel & Tel., pfd.	40.00	42.00
Brandram-Henderson, com.	5.75	6.50
Do., pfd.	21.00	....
B. C. Pulp & Paper, com.	46.50	47.50
Do., pfd.	99.00	....
Burns & Co., A	7.30	9.00
Do., B	4.50	5.00
Canada & Dom. Sugar	80.50	81.50
Canada Starch, new com.	6.25	....
Do., pfd.	107.00	....
Can. Wire & Cable, pfd.	119.00	122.00
Can. Airways	5.25	6.00
Can. Industries, A com.	242.00	....
Do., B com.	241.50	245.00
Do., pfd.	159.00	162.50
Can Ingersoll Rand	120.00	131.50
Can. Tube & Steel, com.	12.50	....
Do., pfd.	82.00	....
Do., 2nd pfd.	25.00	....
Can. Westinghouse	62.00	63.50
Chase, A. W., pfd. bonus	27.50	....
Conduits Nat., com.	5.75	6.25
Crescent Creamery, pfd.	36.50	38.50
Dom. Found. & Steel, pfd.	98.50	100.50
Dominion Woollens, com.	1.00	1.25
Do., pfd.	4.75	5.50
Dunlop Tire, pfd.	91.50	....
Federal Grain, com.	....	2.00
Do., pfd.	....	39.00
Frost Steel & Wire, pfd.	45.00	....
Goderich Elev. & Transit	4.50	5.25
Greening Wire, pfd.	109.00	110.00
Guelph Carpet, pfd.	105.50	107.00
Do., com.	25.50	26.25
Hayes Steel Prod., com.	11.25	12.25
Do., pfd.	8.25	9.25
Highland Dairy, pfd.	81.00	83.00
Inter City Baking, com.	32.50	34.50
Inter Met. Indust., A pfd.	95.50	97.00
Lake Sulphite Pulp, com.	26.50	27.50
Loblaw's Inc. (U.S.) Units.	82.00	....
McCormick's, com.	4.25	5.00
Do., pfd.	17.50	....
Mercury Mills, com.	3.00	3.50
Morrison Brass, 7% pfd. bon.	11.00	12.00
Mount Royal Hotel, pfd.	4.00	4.75
New Meth. Laund., pfd. bon.	93.00	96.00
Paterson, Wm., pref.	100.00	....
Perfection Pete., pfd.	21.00	23.00
Provincial Paper, pfd.	107.75	108.50
Quebec Pulp & Paper, pfd.	33.00	34.00
Reliance Grain, com.	8.00	10.00
Do., pfd.	....	85.00
Robinson Consol. Cone	10.50	11.25
Ruddy, E. L., pfd.	30.00	33.00
Seal O Sac (Can.)	13.00	14.50
Standard Fuel, com.	5.00	6.00
Do., pfd.	....	96.00
Supertest Pet., B pfd.	26.50	28.00
Toronto Carpet, com.	57.50	....
Do., pfd.	60.00	....
United Steel, pfd.	19.25	21.00
Western Grain, pfd. bonus	6.50	8.00
Weston (Geo.) Foods (Eng.)	3.25	3.50
Wings	1.00	1.25
Zellers, pfd.	80.00	....
Trusts & Loan Stocks:		
Chartered Trust	90.50	101.00
Commercial Finance, com.	2.75	3.00
Guelph Ont. Inv., par $50	49.50	52.00
London & West. Trust	50.00	55.00
Prudential Trust	6.25	....
Sterling Trust	41.00	....
Traders Fin., A com.	18.00	19.25
Do., rights	12.75	....
Do., B 7% pfd., bonus	95.0	98.00
Trusts & Guarantee	28.00	29.50
Insurance Stocks:		
Canada Life (Div. $20)	536.00	545.00
Canadian Ins. Shares	16.25	....
Confederation Life, 20% pd.	115.00	118.00
Dominion Fire Ins.	136.00	....
Dom. of Can. Gen.	125.50	135.00
Empire Life, 25% pd.	12.50	13.50
Federal Fire, 25% pd.	38.00	41.00
Great West Life	325.00	340.00
Do., 20% pd.	60.00	....
Imperial Life	362.00	370.00
Manufacturers Life	280.00	300.00
Monarch Life, 10% pd.	25.50	27.00
Sovereign Life, 25% pd.	16.00	18.00
Sun Life Assce. (Div. $15)	705.00	725.00
Western Assce., com. (Div. $2.40)	53.50	55.50
Do., 12% pfd.	40.00	42.50
Theatre Stocks:		
Allens, Kingston, pfd.	68.50	....
Do., St. Catharines, pfd.	61.50	....
Do., Tor., pfd. bonus com.	30.50	32.25
Loew's London, pfd.	2.25	3.00
Do., pfd.	118.50	....
Mansfield Theatre, 7% pfd.	31.00	34.00
Paramount Kitchener, pfd.	58.50	62.00
Do., Oshawa, 7% pfd.	90.50	95.00
United Amusement, A, V.T.	19.00	20.50
Do., B	21.00	22.00
Investment Trust Shares:		
Can. Gen. Inv. (Div. 50c)	9.90	10.10
Can. Investment Fund	4.70	5.05
Can. Investors (Div. 40c)	8.50	9.25
Cons. Div. Std. Sec., com.	.40	....
Do., pfd.	22.00	....
Invest. Found., pfd. bonus	58.25	60.00
Lon. Can. Invest., com.	4.50	5.00
Sec's. Hold., pfd. bonus	20.50	22.50
United Corpns., A	24.00	25.00
Do., B	23.00	24.00
Power Issues:		
Calgary Power, pfd.	85.00	87.00
Can. West. Nat. Gas., pfd.	90.50	92.00
Do., com.	26.00	....
Foreign Power Sec's., pfd.	8.75	10.25
Great Lakes Power, pfd.	99.50	....
Inter. Util., $1.75 pfd.	17.00	18.00
Montreal Island Pwr., pfd.	15.50	18.00
New Brunswick Tel., com.	13.50	14.25

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Aug. 16	27,800	107,600	911,000
Aug. 14	32,800	56,200	446,000
Aug. 13	38,400	106,600	889,000
Aug. 12	42,700	127,300	882,000
Aug. 11	54,300	48,300	723,000
Aug. 10	42,500	56,200	449,000

Municipal Bonds

August 17, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.50	112.00	4.20
Hamilton	5	1950	113.50	115.50	3.30
Montreal	5	1945	104.50	106.00	4.07
Ottawa	4½	1943	108.50	110.60	3.00
†Quebec	5	1959	102.00	104.00	4.70
Saint John	5	1950	107.00	109.00	4.13
†Toronto	4½	1955	111.50	113.50	3.47
†Vancouver.	5	1950	91.00	95.00	5.56
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Unlisted Mines

August 17, 1937

	Bid	Ask.
Albany R.	.61	.63
Algold	.36	.38
Altura	.19	.29
Amm Gold	.26½	.28
Armistace	.15	.17
Arno	.02½	.03½
Athona	.17	.19
Area	.04	.05
Augite	.16	.18
Bailor	.02½	.02½
Bar. Lar.	.15½	.16½
Bathurst N.	.01½	.02½
Big Master	.05	.06
Bilmac	.08	.09
Baldwin	.01½	.02½
Bear	.36	.37
Cuniptau	.06½	.07½
Calder B.	.07½	.09
Callinan. Fl. Fl.	.03½	.04½
Can. Pan.	.10½	.12
Can. Kirk.	.02	.02½
Candal'a	..	.37
Casey Con.	.01	.01½
Chester	..	1.55
Coin Lake	.06½	.08
Condor Old	.03½	.03½
Con Kirk.	.22	.24
Cooke Lake	.26	.29
Coulson	.09	.11
Cres. Kirk.	.06	.07
Dawson White	.12	.13
Dempsey	.05	.07
Denison	.39	.41
Desantis N.	..	.35
Doreva	.25	.27
Delosha	.16½	.18½
Dunlop N.	.06½	.07
El Bona.	.09½	.10
Electra Porc.	.07	.08
Eva Lake	.07	.08
Elmos	.10½	.12
Faulkenham	.37	.40
Fernland	.22	.24
Fleming	.19	.21
Franklin	.01	.01½
Frontier	.09½	.11
Galatea	.02½	.03
Garnet	.02½	.03½
Gate Pat.	.05	.07
Gilbec	.02½	.03½
Gold Range	.01½	.02½
Goldside	.03½	.04½
Gold Gat.	.50	.52
Gordon Lebel	.09	.11
Gull Kirk.	.03	.03½
Hudson Pat.	.03	.04
Hislop	.07½	.08½
Horseshoe	.01½	.02
Hutch. Lake	.15½	.16½
Hugh Pam.	.12½	.14
John Nip.	.04	.05
Kaw Crow	.06	.08
Kenecho	.11	.14½
Kenricia	.40	.43
Kewgama	.46	.50
King Kirk.	.01½	.02½
Kir-Vit.	.13	.13½
Kirk Hun.	.02½	.02½
L. Rowan	.34	.36
LaReine	.25	.26
Lafayette	.02½	.03½
Lake Geneva	.75	.78
Lamaque	7.00	7.50
Lardego	.05	.07
Magnet L.	.07½	.08½
Magnet C.	.22	.24
Malartic	.32	.34
Martin Mc.	.05½	.07
Mart. Br.	.67	.70
Margaret	.37	.39
Maritime	.16	.18
Mata Cn.	.13	.15
Moffatt N.	.05½	.06½
McFarlane	.07½	.08
McCarthy W.	.27	.29
McVittie	.04	.05
Monarch	.09½	.10
Mooshla	.13	.15
Mosher	.26½	.27½
Norlake	.09	.10
North Shores	.04½	.05
Oklend	.17½	.18½
O'Leary	.09½	.10
Old Diamond	.06	.06
Opem. Cop.	.12	.14
Oriole	.07½	.08
Ossian	.01½	.02
Pascalis	.32	.34
Porc. Mc.	.04	.05
Porc. United	.08½	.07
Plains Porc.	3.80	4.00
Porc. Gr.	.02	.03½
Potterdoal	.02½	.02
Porc. Tri.	.10	.12
Pontiac R.	.10½	.10½
Pelangio	.15	.16
Propriety	2.25	2.30
Que. Man.	.72	.74
Rajah	.09	.10
Richmac	..	.25
Ribago Old	.05½	.06
Ribago New	.22	.24
Roeanor	..	.06
Rouyn Reward.	.06	.07
Rubec	.03½	.04
Sand River	.24	.28
Shenango	.17	.20
Skookum	.07½	.07½
Smelter	.03	.04
Siscoe Ex.	.20	.22
Spooner	.17	.20
Sturgeon River	.26	.28
Springer	.06½	.10½
Straw Lake	.15	.17
Sun Bear	.18	.20
Tonawanda	.04	.04½
Tripple Lake	.33	.35
Upper Can.	.29	.30
Wascana	.14½	.15½
Williamson	.07½	.07½
Wesley	.18	.19
Westside	.07½	.07¾
West Red Lake	.04½	.05½
White Horse	.11½	.12½
Wendigo	.31	.33
Winoga	.07½	.08½
Young D.	.18½	.20
Ypres Cad.	.14½	.16

Government Bonds

Dominion of Canada Bonds

Aug. 18, 1937		Bid	Asked	Approx. Yld.
3	15 Nov. '39	101.50	102.00	1.13
2½	15 Oct. '39	102.50	103.00	1.15
4	15 Oct. '39	105.75	106.25	1.17
1½	1 June '40	100.10	100.60	1.28
4½	1 Sept. '40	108.15	108.65	1.61
1	15 Mar. '41	97.85	98.35	1.46
5	15 Nov. '41	111.00	111.50	2.15
3	15 Oct. '42	104.25	104.75	2.03
2½	1 June '43	101.25	101.75	2.18
5	15 Oct. '43	112.15	112.65	2.75
4½	15 Oct. '44	110.50	111.00	2.80
•2½	15 Aug. '45	99.65	100.15	•2.46
4	15 Oct. '45	107.00	107.50	•2.67
4½	1 Feb. '46	110.40	110.90	3.03
3¼	1 June '49	101.15	101.65	•3.04
3½	15 Oct. '49	103.35	103.85	•2.90
4	15 Oct. '52	106.50	107.00	•3.19
3	1 June '55	97.00	97.50	3.23
4½	1 Nov. '56	110.00	110.50	•3.21
4½	1 Nov. '57	110.00	110.50	•3.31
4½	1 Nov. '58	110.40	110.90	•3.35
4½	1 Nov. '59	110.65	111.15	•3.40
•3¼	15 Jan. '61	99.85	100.35	•3.22
3¼	1 June '66	98.65	99.15	3.31
3	Perp. bds.	87.65	88.15	3.40
Dominion Guaranteed Bonds				
Canadian National Railway:				
5	1 May '44	102.25	103.25	2.48
3	15 Dec. '50	96.75	97.75	3.20
3	15 Feb. '53	95.75	96.75	3.40
*4½	1 Sept. '51	113.50	114.50	3.24
*4½	1 Feb. '56	114.00	115.00	3.40
†4½	1 July '57	113.00	114.00	3.52
*4¾	15 June '55	116.25	117.25	3.45
*5	1 Feb. '54	116.50	117.50	3.59
*5	1 July '69	116.50	117.50	•2.55
*5	1 Oct. '69	118.75	119.75	•3.37
Provincial Government Bonds				
New Brunswick:				
4	1 Sept. '54	100.50	102.00	3.83
†4½	15 Apr. '61	104.50	105.50	4.12
†5	15 Jan. '60	107.50	109.50	4.33
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.20
4½	15 May '43	106.50	107.50	3.06
†4½	15 Sept. '52	108.25	109.25	•3.40
†5	1 Mar. '60	115.50	117.00	3.87
Ontario:				
3	1 Dec. '51	96.25	97.25	3.24
*4	1 June '62	105.00	107.50	3.55
4½	1 June '50	110.25	111.25	3.42
*4½	15 Jan. '62	114.50	116.50	3.50
5	15 Oct. '48	114.25	115.25	3.38
*5	2 Dec. '60	119.50	121.00	3.66
5½	1 July '46	116.00	117.00	3.28
Ont. Hydro Comm.:				
3½	1 Apr. '47	102.25	103.25	3.12
4½	1 Jan. '70	117.00	118.00	3.78
Prince Edward Island:				
3	1 Oct. '45	97.00	98.00	3.28
Quebec:				
4	15 Mar. '52	105.00	108.25	3.46
4½	1 Aug. '58	108.75	110.00	3.57
4½	2 Jan. '63	110.50	112.00	3.77
Alberta:				
4	15 Dec. '54	52.00	55.00	¶
†4	1 Dec. '57	52.00	55.00	¶
4½	1 Oct. '51	68.00	71.00	¶
†4½	1 Oct. '56	54.00	58.75	¶
†5	1 Jan. '48	56.00	59.00	¶
5	1 Sept. '55	56.00	59.00	¶
*5	1 Oct. '59	56.00	59.00	¶
†5½	1 Jan. '47	59.00	61.00	¶
6	1 Mar. '47	63.00	65.00	¶
British Columbia:				
†4	1 Dec. '57	91.00	92.50	4.57
*4½	15 Jan. '51	96.00	98.00	4.70
†4½	1 Oct. '53	95.50	96.50	4.81
†5	15 Jan. '48	99.50	100.25	4.97
5	1 Sept. '53	99.50	100.25	4.98
5½	1 Feb. '45	101.50	102.50	5.09
6	15 Feb. '47	104.00	104.75	5.37
Manitoba:				
4	2 Jan. '50	79.00	80.50	6.27
†4	1 Dec. '57	79.00	80.50	5.61
†4½	15 Dec. '56	81.50	83.00	5.99
†5	15 June '54	87.00	90.00	5.94
*5	2 Dec. '59	88.00	91.00	5.71
5½	1 Oct. '55	91.00	93.00	6.13
6	1 Apr. '47	94.50	96.00	6.55
Saskatchewan:				
4	15 Aug. '53	66.00	68.50	7.31
4	1 Nov. '60	65.00	67.00	6.85
*4½	2 July '45	74.00	77.00	8.52
†4½	1 Oct. '51	77.25	79.00	6.80
†4½	15 Mar. '60	69.00	72.00	6.95
5	1 Aug. '59	73.00	75.00	7.35
†5½	15 Nov. '46	79.00	82.00	8.30
5½	1 Oct. '52	77.00	81.00	7.60
6	15 Mar. '52	80.00	82.50	8.04

*Payable Can., N.Y. & £. •Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966. ¶Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Dividends

	Rate	Close Aug. 18	Yield %
Anglo-Huronian	20c	5.95	..
Beattie Gold	8c	1.26	..
Bralorne	40c+25c	7.50	*8.7
Buffalo Ankerite	50c+12½c	10.87	*5.7
Bulolo Gold	$1.50	24.75	..
Cariboo	10c	1.57	6.3
Central Patricia	8c	3.05	..
Coniagas	12½c	2.35	..
Coniaurum	5c	1.45	..
Cons. Smelters	50c+$1	87.00	..
Dome Mines	$2+$2	42.87	*9.3
Falconbridge	30c	6.00	3.7
Hollinger	65c+45c	12.25	*8.9
Howey Gold	4c	.45	..
Hudson Bay	75c	32.12	..
Island Mountain	‡5c	.64	..
Inter. Mining	30c	11.12	..
Inter. Nickel, com.	$2	65.38	3.0
Kerr Lake	5c	.35	..
Kirk. Lake	‡3c	1.47	..
Lake Shore	$4+$1	51.25	9.7
Lava Cap M.	5c	1.22	..
Little Long Lac	30c	5.65	..
Macassa	15c	6.10	2.4
McIntyre	$2	35.25	5.6
McKenzie Red Lake	4c	1.35	..
McKinley Sec.	5c	.63	..
Noranda	‡$1.75	66.75	..
Nor. Can. Mining	‡2c	.80	..
Nipissing	25c	2.30	..
Placer Develop.	‡60c	16.50	..
Premier	12c+3c	2.40	*6.0
Pioneer, B.C.	40c	4.00	10.0
Pickle Crow	40c	5.95	6.7
Reno	12c	.95	12.6
San Antonio	7c	1.66	..
Sheep Creek	8c+1c	.90	*10.0
Siscoe	20c+1c	4.00	*6.2
Sudbury Basin	†10c	4.70	..
Sullivan Cons.	†2½c	1.38	..
Sylvanite	20c+5c	3.45	*7.3
Teck-Hughes	40c+5c	5.50	*8.1
Toburn	8c	2.90	2.9
Ventures	†12½c	8.50	..
Wright-Harg.	40c+15c	6.70	*9.7

‡Interim †Initial.
*Yield includes bonus.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass	30c	Sept. 1	Aug. 16
Do., bonus	30c	Sept. 1	Aug. 16
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium, pfd.	$1.50	Sept. 1	Aug. 14
Do., arrears	$4	Sept. 1	Aug. [illegible]
Anglo-Candn. Tel.	12½c	Sept. 1	Aug. 14
Biltmore Hats	$1.75	Sept. 15	Aug. 14
Borden Co.	.40	Sept. 1	Aug. 14
Bank of Montreal	$2	Sept. 1	July 31
Bk. of Toronto	$2.50	Sept. 1	Aug. 14
Bk. Can. Nationale	$2	Sept. 1	Aug. 14
Buff-Ankerite	12½c	Aug. 16	Aug. 2
Do., extra	7½c	Aug. 16	Aug. 2
Candn. Malartic	5c	Sept. 8	Aug. 28
Canada Cement	$1.25	Sept. 20	Aug. 31
Candn. Int. Inv. Tr.	$1.25	Sept. 1	Aug. 16
Can. Bk. of Com.	$2	Sept. 1	July 31
Cosmos Imp., pref.	$1.25	Oct. 15	Sept. 30
Canadian Oil, pref.	$2	Oct. 1	Sept. 20
Corr P. Box, pf.	$1.75	Sept. 1	Aug. 16
Can. Wire & C., p.‡	$6	Sept. 7	Aug. 20
Canada Vinegars	30c	Sept. 1	Aug. 18
Candn. Industries,	$1.75	Oct. 30	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Bank	$2.50	Oct. 1	Sept. 20
Dom. Tar & Chem., pfd.	$1.37½	Sept. 15	Aug. 28
Dom. Scot. Inv., pf.	50c	Sept. 1	Aug. 20
Dom. Ang. Inv., pf.	$1.25	Sept. 1	Aug. 14
Electrolux Corp.	40c	Sept. 15	Aug. 16
Do., extra	10c	Sept. 15	Aug. 16
Eng. Elec., A	62½c	Sept. 15	Aug. 31
Falconbridge	7½c	Sept. 30	Sept. 8
Ford Motor, A, B	25c	Sept. 18	Aug. 28
Gurd, Chas., pf.	$1.75	Aug. 16	July 31
Inter. Mining	15c	Sept. 20	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Kelvinator, pfd.	$1.75	Aug. 16	Aug. 5
Laura Secord	75c	Sept. 1	Aug. 14
Little Long Lac	10c	Aug. 16	Aug. 5
L. of Woods M., pf.	$1.75	Sept. 1	Aug. 14
Loblaw, A & B	25c	Sept. 1	Aug. 10
Mtl. Loan & Mtge.	50c	Sept. 1	Aug. 31
McColl-Fron., c.	10c	Sept. 15	Aug. 14
McIntyre-Porc.	50c	Sept. 1	Aug. 3
Nat. Biscuit, pf.	$1.75	Aug. 31	Aug. 13
Nat. Biscuit, c.	40c	Oct. 15	Sept. 10
Ogilvie Flour M., p.	$1.75	Sept. 10	Aug. 20
Pioneer Gold (B.C.)	10c	Oct. 1	Sept. 1
Penmans	75c	Aug. 16	Aug. 5
Photo Engravers	50c	Sept. 1	Aug. 14
Quebec Power	25c	Aug. 16	July 26
Regent Knitting	40c	Sept. 1	Aug. 14
Remington-Rand	35c	Oct. 1	Sept. 10
Reno Gold	3c	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 1	July 31
Rolland Paper	25c	Aug. 16	Aug. 6
Do., pref.	$1.50	Sept. 1	Aug. 16
Second St'd. R'lties	1c	Sept. 1	Aug. 16
Sylvanite Gold	20c	Sept. 30	Aug. 16
Sigma Mines*	1c	Sept. 1	Aug. 2
Shawinigan W.	20c	Aug. 16	July 28
South Can Pwr., c.	20c	Aug. 16	July 31
Toburn Gold	2c	Aug. 21	July 22
Union Gas	15c	Sept. 15	Aug. 20
United Fuel, pf.	$3	Aug. 16	July 31
United Corp., A	‡75c	Aug. 16	July 31
Walker-G. & W.	50c	Sept. 15	Aug. 20
Do., pref.	25c	Sept. 15	Aug. 20
West. Koot. Pr., pf.	$1.75	Oct. 1	Sept. 22

*Initial. ‡On arrears.

Board to Enquire Scotia Steel Wage

From Our Own Correspondent

MONTREAL.—A Royal Commission, consisting of Mr. Justice Carroll, Dr. A. Stanley Mackenzie and Dr. F. H. Sexton, has been appointed by the Nova Scotia Government to investigate relations between the Nova Scotia Steel and Coal Co. and other corporations, and the matter of pay to employees, and also to study the possibilities of opening up other mining areas.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 202

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT
General Manager.

Toronto, 22nd July, 1937.

The Bank of Toronto

Dividend No. 224

Notice is hereby given that a Dividend of Two and One-Half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of September next, to shareholders of record on August 14th, 1937.

By Order of the Board.
H. B. HENWOOD,
General Manager.

THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of October, 1937, to shareholders of record of the 20th September, 1937.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 12th August, 1937.

The Bank of Nova Scotia

Dividend No. 271

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 15th, and that the same will be payable on and after Friday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.
H. F. PATTERSON,
General Manager.

Halifax, N.S., August 17th, 1937.

ANGLO-CANADIAN TELEPHONE COMPANY

CLASS "A" DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and One-Quarter Per Cent (1¼%) has been declared on the Class "A" Stock of the Company, payable September 1, 1937, to stockholders of record at the close of business on August 14, 1937.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

Montreal, August 13, 1937.

Canada Cement Company Limited

PREFERENCE DIVIDEND NO. 21

NOTICE is hereby given that a dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Preference Stock of this Company has been declared, payable on the 20th day of September next to Preference shareholders of record at the close of business August 31st, 1937.

G. A. RUSSELL,
Secretary.

Montreal, August 13, 1937.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 46

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Wednesday, September 15, 1937 to shareholders of record at close of business on August 20.

DIVIDEND NO. 47

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Wednesday, September 15, 1937 to shareholders of record at the close of business August 20.

By Order of the Board.
FLETCHER RUARK,
Secretary.

Walkerville, Canada
July 15, 1937.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND NO. 70

NOTICE is hereby given that a quarterly dividend of One Dollar per share, on the issued capital stock of the Company, will be paid on the fifteenth day of September, 1937, to shareholders of record at the close of business on the first day of September, 1937.

By order of the Board.
Kirkland Securities, Limited,
Secretary.

Dated at Kirkland Lake, Ontario, August 14th, 1937.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

C.I.O. Rapped By Labor Unit

Canadian Federation Denounces "Mob Unionism" of Lewis

The C. I. O. is far from welcome to all sections of organized labor in Canada, and several groups are now advancing vigorous protests against C. I. O. methods and its attempt to corral auxiliary strength among Canadian workers.

The mob hysteria which is a fundamental factor in the C. I. O. drive and the extent to which this has alienated the support of public and political opinion, are the subject of trenchant comment in the July issue of The Labor Review, official organ of the Canadian Federation of Labor. The Federation is the larger of the two purely Canadian labor groups. Under the heading of "C. I. O. Mob Unionism," the Review says

"The principles of industrial unionism, which make for industrial peace rather than war, have never been learned by the new practitioners (C. I. O.). They have adopted the anarcho-Communist tactic of striking first and organizing afterward, using a minority membership as pickets to keep the majority away from work. Such limited success as has attended this reliance upon force has merely substituted for the problem of recruiting an equally acute problem of administering the mushroom unions.

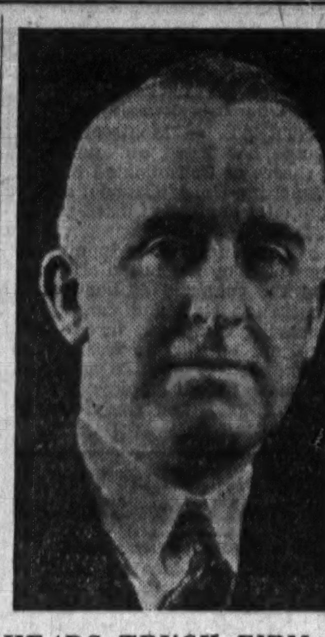
"Having amassed their troops, Lewis and his henchmen are by no means sure how to dispose of them, and the result is that instead of an army they have a mob. They are militant without being military. Their grouping of pickle workers with motor workers gives the measure of their strategy.

"What comes out of the turmoil in the United States will be watched with interest by Canadian workers. But like the war in Spain, it is not, or should not be, the direct concern of any Canadian worker. Those workers who pin their faith to foreign organizations, and who become involved in the strikes that the C. I. O. agents are planning in Canada, will be but pawns in a game of which the players do not seem to know the rules and which public opinion is already out of patience."

These objections spring from fundamental objection to John L. Lewis, to the methods he has used in mobilizing industrial workers, and to the attempt to exert international dictation over Canadian workers—not to industrial unionism as such.

H. E. Stephenson Retires From McKim Board

H. E. Stephenson, associated with A. McKim Ltd. for nearly half a century, a director of the company and a recognized authority on advertising of proprietaries and cosmetics, is retiring from active agency business at the end of August. He is retaining his financial interest in A. McKim Ltd. which he first acquired when the company was converted into a limited concern. He was associate editor of the first issue of McKim's Directory of Canadian Publications and became its editor in 1899.



HEADS TRUCK FIRM

L. M. Hart of Montreal, new president of The White Co., manufacturers of White and Indiana trucks and buses in Canada. Mr. Hart succeeds Robert F. Black, president of the White Motor Co. of Cleveland, who continues as chairman of the board of the Canadian company.

Ontario to Probe Textile Industry

Preparations were under way this week for launching of the enquiry of the Ontario Industry and Labor Board into the textile industry in that province, ordered with the particular end of terminating textile workers' strikes at Peterborough and Cornwall and setting minimum wages in plants at these and other points.

Efforts to apply a similar procedure to the textile industry in Quebec had proved unsuccessful, up to press time, as a means of ending the strike which has tied up Dominion Textile Co. plants in that province. The company and the Provincial Government proposed that the strikers return to work and accept the minimum wage findings of the new Fair Wage Board, which comes into official being on Sept. 1, but the National Catholic Textile Syndicate is demanding a direct agreement with the company under the Collective Labor Agreements Act.

Premier Hepburn of Ontario announced that the Industry and Labor Board would undertake an exhaustive enquiry into the textile industry for the purpose of establishing minimum wages and other factors in various areas and for various classes of workers. This is the first publicly announced occasion on which the Board has functioned since its appointment several months ago.

The enquiry will cover the whole industry, but will deal initially and particularly with conditions at plants of Dominion Woollens and Worsteds Ltd. (Peterborough) and Canadian Cottons Ltd. (Cornwall), which have been tied up by strikes for two months and three weeks respectively.

The two Peterborough mills of Dominion Woollens were reopened a day after the Premier's announcement, though not without violent clashes between police and a group of strikers who sought to block the back to work movement at one plant.

Has the West a Future?

(Continued from page 9)

in man's mistaken view a flourishing agriculture.

But undoubtedly this collapse has been hastened and intensified by the type of farming which has been practised by man. The ease with which western farmers made money in years gone by was a bad thing for them and for Canada. How the young men laughed at father down in Ontario with his hundred acres, most of which he had chopped out from the bush with his bare hands. They had a section of land; next year they would buy another section; next year another; and so on. God was in His Heaven, Edward on the throne, the West was booming, and all was right with the world.

To any young man who had toiled in the bush and little fields of Ontario this flat prairie where a man could plough all day without striking one root was a farming paradise. So he ploughed and sowed, the rain fell, and a heavy crop was harvested. And so it went on—all take, a type of farming which never did and never will succeed. But this was not supposed to be farming proper. Farming proper produces an income from the soil, and preserves national capital; this early western farming produced no income, but used up national capital, the capital of soil fertility. In fact, it was merely mining. Farming proper is concerned with the rotation of both crops and animals; western agriculture continued to take one thing, grain, from the soil year after year. Farming proper is the practice of put and take; prairie farming was all take.

Pride in Farm Missing

But here is the most serious charge against it. Farming proper must mean the desire of the farmer to live and to die on the land he farms, and to leave it in better condition than he found it. Western farming was run on exactly opposite lines. Here the one idea was to make money in order that the makers could retire in affluence to a country of more congenial climate and equipped with a profusion of amenities. In consequence, pride in the condition of the farm, the mainstay of all farming, was missing. Result, a race of farmers who farmed in order to quit in affluence, is now being forced to quit in poverty.

To suggest a cure for such a state of affairs seems impossible, but here are a few points which come to mind. The existing very necessary relief measures of both Federal and Provincial Governments are not cures but palliatives; and, until a remedy is found, they will be a case of throwing good money after bad. Over a wide district in the southern part of the West man will have to admit his mistake in ploughing an arid countryside, and retire to more northern districts which have a more reliable rainfall. The Government must explore every irrigation possibility and use every endeavor to find some plant or grass which will grow and thrive in the drought areas, and so find a way to tie down the dusty desert which man has made.

The Problem of Livestock

It is a dangerous thing to suggest that a more stable form of agriculture for the West must be based on livestock farming, the more especially as during recent years, much of the public relief has been given in terms of imported fodder for starving animals. Even so, in the less drought-ridden districts, which incidentally are the only districts which can support an agriculture of any kind, farmers continually admit two things. Firstly, that it is their livestock, notably cows, which have kept them going during the bad times; and secondly, that these saviours live during the summer primarily on the headlands and other unploughed portions of the summer fallow field.

Even so, in far too many cases the cows are despised sidelines, and the farmer is hoping, ever hoping, for a crop of grain. The idea of farming for his cows has never yet occurred to him. The difference between keeping a few livestock on a farm and farming for livestock has to be seen to be appreciated.

Leisurely flocks and herds,
Cool-eyed cattle that come
Mildly to wonted words,
Swine that in orchards roam—
A man and his beasts make a man
 and his home.

And man and a fleet of tractors, sooner or later, make only a dust storm.

Privilege and Responsibility

But how the West is to be farmed in the future is not half so important as why it is to be farmed. When the purpose is a right one, man will always find a way to achieve it. It is when the purpose is wrong and unsound that the cleverest plan of human brains must fail. To farm land in order to acquire the wherewithal to live in comfort elsewhere is to farm for an evil purpose and, therefore, it must and should fail. To farm land in order to live, mate, beget and die thereon is a noble purpose and, therefore, must and will succeed.

So, unless the West is to be handed over to the immigrant from central Europe, the Canadian nation must make a solemn vow that should the climate change and rain in plenty come again, no man shall be allowed to mine fertility and fibre from the soil in the fashion which prevailed when the West was booming. In other words, to hold dominion over some acres of one's own country must be considered a privilege and a responsibility, and this idea of farming to make money to get away from the land which made the money must vanish from the minds of both farmer and townsman.

Week in Wheat

Liverpool Buying Strengthens Market

Britishers Impressed With Lower Estimates of Argentine and Australian Crops — Excessive Heat Damages American Corn

From Our Own Correspondent

WINNIPEG.—The upturn in the wheat market at the beginning of this week reversed former procedure in that the primary strength came from Liverpool instead of from markets on this side of the Atlantic.

Liverpool is impressed by the growing strength of reports of poor condition of crops in both Argentina and Australia. Broomhall estimates an Australian crop of only 140 million bushels, which would leave an export surplus of only 85 millions. From Argentina come pessimistic reports due to continued lack of moisture over a large area. With the advent of the spring growing season improvement is possible, but not expected.

Unfavorable harvesting weather in Germany, and disappointing yields in France, are bullish factors and support has been given by heat damage to the growing corn crop in the United States. This created a feeling that production will fall short of the bumper crop previously expected and has tended to offset the unexpectedly large Government estimate of 890 million bushels of wheat for the country released last week.

Activity in the charter market on the Pacific coast suggests that Japan is planning to take a considerable quantity of wheat from the north Pacific coast states, available at a discount under Australian prices. Actual business is yet to be confirmed. Previously the idea had been that the situation in China would reduce Oriental takings. Now the prospect of extensive military operations is taken to mean a possible urgent demand for food supplies.

Market Sensitive

The Winnipeg wheat market at present is a thin one, with a small quantity of wheat to be handled, and a very small open interest. One result is to leave it highly sensitive to small changes in volume of business, with nervous fluctuations up and down.

The actual quantity of Canadian wheat sold for export since the beginning of the month has been small, probably less than the actual shipments, most of which have been based on earlier sales. On the few occasions when a substantial quantity of overnight acceptances has been received, the market has tended to rise unduly, followed by a corresponding decline.

World wheat shipments continue on a small basis, less than 6½ million bushels last week, against the 10 million bushels average weekly shipments that would be required to fill the lowest of the current estimates of world requirements for a year.

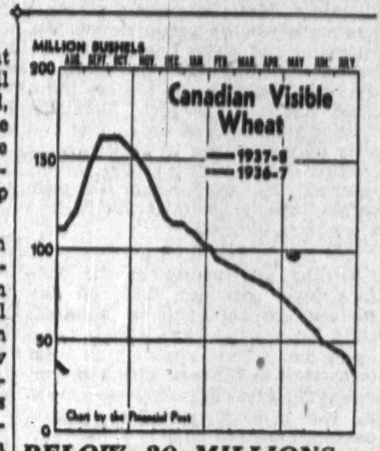
The great world grain trade at the moment is not in wheat but in corn, Argentina alone putting afloat each week as many bushels as the whole world ships of wheat. Last week's shipments amounted to over 9 million bushels. With corn comparatively cheap, it is evident that European importing countries intend to make up a good deal of their deficiency in wheat by imports of corn. This would release for breadmaking purposes rye that would otherwise be fed to livestock. In addition, human consumption of corn is likely to be much greater, particularly in Germany, where it is planned to mix corn flour with bread flour.

• • •

Seed Purchases

The market has recovered from the bullish excitement that was caused last week by reports that the Saskatchewan Government was buying 7 million bushels of wheat for distribution as seed next year. All that actually happened was that the Wheat Board had offered to buy some certified Thatcher wheat at a premium. The Saskatchewan Government, of course, will have to buy some millions of bushels of wheat for distribution to farmers of the province as seed, but the Government there has denied the total distribution of seed wheat next year will approach that quantity.

At all events it is not expected that the Saskatchewan Government will buy wheat futures to protect its requirements for seed. It is expected rather to buy cash grain from time to time, some in Saskatchewan, but the greater part in Alberta, except for Thatcher wheat obtained from Manitoba. As it is a matter of common knowledge that seed grain for some millions of acres will have to be provided from Government sources, any activities in this direction hardly constitute a sound basis for a market advance.



BELOW 30 MILLIONS

Pending arrival of new crop wheat, supplies of wheat in commercial storage were further reduced last week. Canadian visible stocks are now about one quarter of the amount at this time a year ago.

Export clearances in the week ended Aug. 14 were 1.5 million bushels compared with 1.7 million in the previous week and 5.5 millions in 1936.

Latest figures compare as follows:

Aug. 14	Week Previous	Last Year
Visible Supplies		
29,227,000	30,022,000	117,120,000
Export Clearances*		
1,492,799	1,676,892	5,475,353

*Plus U. S. imports.

Commodities

Listless cotton and sugar markets are in contrast to the speculative interest being shown in cocoa which has advanced to new peaks for the current upward movement under aggressive buying by trade and commission houses. Cotton is showing little change, pending the movement of supplies into consumptive channels and sugar presents confusing aspects of the U.S. Government's division of opinion over control legislation.

Price Range	Latest week	Previous week	Same week last yr.
Cattle	$10.50	$10.00	$5.85
Hogs	12.00	11.50	10.15
Copper, lb.	.14	.14	.09¾
Cotton, lb.	.1069	.1124	.1236
Rubber, lb.	.1831	.1869	.1631
Sugar, raw, lb.	.0350	.0350	.0370
Silk, lb.	1.92	1.90	1.83
Wheat, Man. (bu.)	1.32⅞	1.34⅛	1.04⅛
Coffee, lb.	.09⅝	.09⅝	.08½
Hides,	.17½	.17½	.11
Weekly Indices			
N. Y. Annalist*	94.8	94.9	84.8
Fishers'	91.9	91.8	84.3
N. Y. Journal of Comm.	90.0	90.8	82.8
Crumps (Brit.)	83.8	83.5	70.2
U. S. Labor	87.4	87.5	81.1
Canada (D.B.S.)	86.0	86.7	76.3

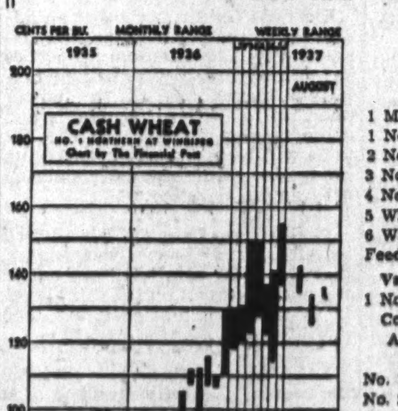
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	82.6	82.8	80.0
W'sale (June)	84.6	85.1	72.3
U. S. (May)	87.4	88.0	78.6
Gt. Brit. (May)	96.9	95.4	80.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York; Silk — Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North. Ft. W.-Pt. A. Basis; Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto

*Revised.

Wheat Prices



(Cash Quotations)

	For Week Aug. 17 High	For Week Aug. 17 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.37⅞	1.32⅞	1.35	1.27⅝
1 Northern	1.37⅞	1.32⅞	1.35	1.27⅝
2 Northern	1.33⅞	1.28⅞	1.29	1.22⅝
3 Northern	1.29⅞	1.24⅞	1.26	1.18⅝
4 Northern	1.24⅞	1.20⅞	1.21⅛	1.15⅝
5 Wheat	1.14⅞	1.10⅞	1.12	1.06⅝
6 Wheat	1.08⅞	1.04⅞	1.06	.97⅝
Feed Wheat	.92⅞	.88⅞	.90	.84⅝
Vancouver: Week to Aug. 16:				
1 Northern	1.30⅜	1.27⅞	1.28	1.22⅝

Competitive Export Prices:

August shipments:	Week to Aug. 16 High	Low
No. 1 North. (Atlan.)	1.56⅝	1.46⅝
No. 2 North. (Atlan.)	1.51⅝	1.41⅝
Australian	1.32¼	1.30¾
Indian (new crop)	1.30¾	1.29⅛
U. S. Hard Winters	1.36⅛	1.31⅞
Argentine (Rosafe)*	1.30	1.27⅛
Rumanian	1.27⅝	1.23

*New crop, Jan.-Feb.

Winnipeg Grain Futures

Week to Aug. 17, 1937

Crop year from Aug. 1, 1937 High	Low		Open Aug. 11	High for week	Low for week	Close Aug. 17
		Wheat				
1.32½	1.22½	Oct.	1.24¼	1.32½	1.24½	1.29
1.29⅜	1.19¾	Dec.	1.21⅞	1.29⅜	1.21⅞	1.26½
1.30¾	1.21¼	May	1.24¾	1.30¾	1.23⅝	1.27⅝
		Oats				
.49¾	.43¾	Oct.	.47⅛	.49¾	.46¾	.48
.46½	.40¼	Dec.	.43¾	.46½	.43⅝	.44¾
.47¼	.42½	May	.44¾	.47¼	.44⅜	.45¼
		Barley				
.62⅞	.58½	Oct.	.59⅞	.62⅛	.57½	.57⅝
.60¾	.57	Dec.	.58⅛	.59¾	.58	.58
.58½	.57⅝	May	.58½	.58½	.57⅝	.57⅝
		Flax				
1.79	1.73	Oct.	1.78	1.78	1.75½	1.76
1.77⅞	1.72	Dec.	1.77	1.77⅞	1.74¼	1.76
1.81	1.75	May	1.78½	1.80	1.75½	1.75½
		Rye				
.94	.84⅞	Oct.	.90½	.94	.88¾	.89¾
.93	.83⅛	Dec.	.89	.93	.86¾	.87¾
.92	.87	May	.87¾	.92	.87	.89

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Regina Asks Province To Pay 90% of Relief

Regina and other urban municipalities in Saskatchewan are asking the Provincial Government to assume 90% of relief costs instead of 80% as in the past.

This action arises out of a resolution passed at the recent convention of the Urban Municipal Association. Recently Regina announced that it would bill the Provincial Government for 90% of relief costs from July 1.

An all-time high in relief rolls is feared by civic officials in the drought area this winter. Regina expects its relief families to increase from an average of 2,000 to 4,000 before the winter is over. Saskatoon expects a 25% increase.

Week in Mining

Recovery of Golds Reviving Optimism

Base Metals and Particularly Copper Shares Depend Largely on Increased Industrial Demand For Metals; What is Nickel Worth?

The recovery in prices for gold shares has carried the Toronto Stock Exchange average about 20% above the low of 107.8 for the year. The average is now above the 1936 low of 116 and above the 1935 high of 124. While still well below the 1937 peak of 168.6 established early in the year, recent advance of the average suggests that prices for gold shares have got back to levels that need not be considered depressed.

One of the factors making for improved activity and a more optimistic tone in mining shares is that summer work in the field will soon make itself known in many news reports.

Base metal shares, which are dependent for their prospects largely on metal prices, have weakened slightly because of minor decline in the export price of copper.

Copper Consumption

The consumption of copper and its alloys throughout the world will this year establish an all-time high record, Bertram B. Cattle, secretary of the Copper and Brass Research Association, has forecast. Consumption of brass pipe and copper tubing in 1936 was approximately 94 million pounds, which was itself a record. This year, based on figures for the first seven months, total sales will exceed 100 million pounds by a considerable amount, Mr. Cattle states.

In 1936 approximately 250 million pounds of copper and its alloys were used by the automobile industry. Production so far this year is about 12% over 1936 despite strikes, so a new record for the use of copper will undoubtedly be set by this one industry alone.

It has also been estimated by the air-conditioning industry that sales will double last year's total of $50 millions. In 1936 that industry used about 13 million pounds of copper, brass and bronze. This year the total is expected to exceed 25 million pounds.

While higher-priced copper is bringing a rapid increase in production, the rise in demand for the metal promises to keep the price fairly stable. And indeed, the rise of copper shares is based largely on the general belief that the present price will be maintained despite still further increases in production.

* * *

Nickel and Industry

International Nickel has reported earnings of $1.71 a share for the first half of 1937, and it now seems likely that the company will be able to show an increase of $1 a share or more in 1937 over last year's profits of $2.40. The shares sell at about $67. The question in many investors' minds is whether the stock is worth more or less. If the company could maintain a regular annual dividend rate of $3 a share, with occasional bonuses, the yield at $67 would be nearly 4.5%, plus the extras. That would indicate that the value of $67 is not unreasonable.

The next question is how long will the present high industrial demand for record output of nickel continue? There is little doubt that expansion of the uses of nickel coupled with industrial activity should keep the company's mines running at a high rate. Some allowance should be made, however, for future fluctuations in industrial demand and also for depletion, even though the properties have a very long prospect of life.

The stock market does not now seem to have been as wrong in putting a value of $70 a share on Nickel in 1929 as in valuing the shares at $5 in the depths of the depression. The fact is that Nickel usually seems to have the appearance of being at a relatively high price per share, yet to have possibilities of better things for the investor.

* * *

Mining Stock Prices

Prices on the mining market recovered all the ground lost since May last, the general index for 24 mining stocks rising to 146.5 for the week of August 12, as compared with 142.3 for the week of August 5, the Dominion Bureau of Statistics reports. The base metal stocks, sharing the upward movement, continued buoyant. The index for the base metal group climbed to 296.1 for the week of August 12.

It is noteworthy that gold stocks reversed their downward trend, prices registering substantial increases during the closing days of the week. The index was up 1.7 points over last week at 110.7.

Mill Is Being Erected At Rahn Lake Mines

From Our Own Correspondent

SUDBURY.—Rahn Lake Asbestos Mines, in Bannockburn and Montrose twps., Matachewan district, will build a mill of at least 50 tons daily capacity, the unit to cost between $50,000-$75,000. Excavation work has been completed and foundations are being prepared. It is understood that finances have been arranged for the project.

Work at the 100-ft. level from No. 1 shaft has been discontinued for the present. Company will repair the road from the Ashley mine to the property, and when production starts the output will be hauled over the 42-mile route by truck to the railway at Elk Lake.

Buffalo Ankerite Hits New High in July

Production figures released by Buffalo Ankerite Gold Mines, covering returns to July 31, 1937, show that last month the company milled 29,515 tons for a recovery of approximately $231,400, highest mark reached so far this year. Value of the July operations compares with a recovery of $203,849 from treatment of 26,822 tons in January of the present year.

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Flat Drill Holes Reveal More Ore at Uchi Gold

Considerable ore not disclosed by previous work has been revealed by flat holes put out every 25 ft. on both sides of the old drifts on upper levels of Uchi Gold Mines, Woman Lake area of Ontario, reports J. E. Hammell, president. The shaft has been completed. The present programme calls for 12,000 ft. of drifting, 2,000 ft. of crosscutting and some 20,000 ft. of flat diamond drilling, which will follow the work on the first level.

The holes will be short and put out every 25 ft. on both sides of the drives on all four levels. The size of the mill required and the best location for it will be known when this work is finished. New shaft would be either 1,000 or 1,500 ft. deep and sited south of the present shaft, which is purely a prospect one.

Moose Mountain Mine Tested for Reopening

From Our Own Correspondent

SUDBURY.—Interest has been revived in the old Moose Mountain iron mine, 25 miles north of Sellwood, presumably because of the provincial bounty of two cents per unit of iron, permitting profitable working of the low-grade deposits in northern Ontario. A. E. Walker and J. Hunner, representing a Cleveland concern, visited Sudbury en route to Sellwood with the object, it is understood, of making new tests of the deposit.

Exploration of the Sellwood deposits began in 1901 a small crushing plant being installed in 1907 and the first shipment made in 1908. The mine and mill were closed down in 1920, but shipments from stock piles continued for some time afterward.

Riding Mountain Park Playground of Manitoba

Fourth in size among Canada's national parks is Riding Mountain Park, 1,148 square miles of Manitoba plateau studded with small lakes. It is the only national park located in Manitoba and originally formed part of the Riding Mountain Forest Reserve in which timber has been under scientific administration for more than 25 years.

At Riding Mountain the national park scheme has reached a high degree of development. Park headquarters are at Wasagaming, the park townsite, and along the shores of nearby Clear Lakes are the summer cottages of many Manitoba residents. The area is within 178 miles of Winnipeg by automobile and is accessible to U.S. visitors by five main highways across the border. Two of these converge at Winnipeg and three at Brandon.

Although the area abounds in wild life the park headquarters at Wasagaming are unusual. They include a museum built of peeled logs and stone. In it are located exhibits of flora and fauna of the district, geological, paleontological and Indian collections, a lecture hall and a community room available to visitors.

Surrounding the administration buildings is a landscaped area including a stone cairn commemorating the opening of the park in 1933. A promenade 8,000 feet long follows the shore line of the lake and there are three summer hotels, a bungalow camp, restaurants and stores from which supplies and equipment can be purchased.

Vein Uncovered By Windstorm

From Our Own Correspondent

WINNIPEG.—To a heavy windstorm that blew large trees down, right within the camp confines, Ministik Lake Gold Mines owes the most recent of its discoveries. The storm tore a huge tree out by the roots, less than 300 feet from the main vein and uncomfortably close to the cookhouse, disclosing a vein about three feet wide and apparently well mineralized.

A wire just received says the new discovery has now been trenched through overburden of about six feet for a distance of 200 feet. The vein averages about four feet wide and apparently is covered with about the same depth of overburden for another 200 ft., which carries it to the edge of a swamp.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — The apparent life of the Sherritt Gordon mine may be doubled by the latest find in the confines of the northern town of Sherridon, Man., it is reported. Find was made when a group excavating for sewer and water lines, 20-30 feet below the surface, came upon an ore body which is said to have indicated width of 20 feet. Diamond drilling will start at once. The ore body may be mined by the open pit method if preliminary assays, which returned 7% copper and $9 gold values, are substantiated. Widths are said to be good.

* * *

Widths and values at the 225-foot level stronger than on the surface are reported by Manistik Gold Mines, at its Island Lake operation. The shaft has been completed to 235 feet with a station cut at 225 feet. Fast time was made in the sinking operation, having been commenced on May 8 and completed July 18. The vein was cut 25 feet distant from the shaft and has now been drifted on for more than 30 feet. Assays are not yet available but samples reaching Winnipeg from the drift show a liberal sprinkling of free gold and give every indication of improving the surface sampling.

* * *

Kirkland Sunbeam, working the old Sunbeam property in that section of Manitoba which practically straddles the Manitoba-Ontario boundary line just south of the trans-Canada highway, is extending ore possibilities with additional drilling. The property has been known for 40 years and was often under option. It is said that finances have been arranged privately to permit of more extensive operation and development.

* * *

Just east of the boundary line, the Oliver Severn has optioned a group of claims belonging to Messrs. Thompson, Popham and Young, of Kenora. Preliminary work is said to have disclosed interesting values. It is reported that negotiations are under way for the Falcon group. The Star Lake Mining Co. is dewatering the old Penniac Reef shaft with a view to doing additional sampling and possibly some further development work.

* * *

Wendigo's output for the first 10 days of August is reported to be $9,500; a little better than ordinary recovery. July recovery was $27,850. Development work on the new ore body is progressing favorably.

* * *

Sachigo River Exploration Co. has reached its ore zone in underground work on two levels at its operation at Sachigo River. Information from the field is vague but private advices say both levels have now reached the ore zone and that drifting has commenced. The crosscuts reached the ore body at a point where diamond drilling indicated high values, and these values are substantiated by the drifting. No values are given except that they are high and width is given as about 30 inches.

Reward Confining Work To Porcher Island Unit

In a progress report covering the second quarter of this year, Reward Mining Co. states that during the period operations were confined entirely to the properties on Porcher Island.

In this section, the Edye Pass Mine has been steadily developed and recently a vein was cut in the main crosscut, which may be either number one vein or split off this vein. Crosscutting is being continued.

Since acquiring the Surf Point Mine, the management has had many difficulties to overcome, it is stated. Ore broken into stopes was very low grade and development was required to open up new ore in certain stopes. Development brought further lowering in the grade of the ore. Gradual improvement has been made, however, the company reports.

Since the commencement on Feb. 15 up to the end of June 5,958 tons of ore were trammed, of which 2,983 were sorted out and 2,975 tons milled. The average head assay was 4.381 ounces gold and average tails 0.023 ounce gold per ton. 136.4 tons of concentrate were used with an average assay of 7.86 ounces gold per ton.

Faulkenham Lake Gets Encouragement at Depth

Faulkenham Lake Gold Mines, in Red Lake area south of Madsen Red Lake, shows a steadily improving outlook as development at depth progresses, A. H. Honsberger, mine manager, informs Colin A. Campbell, president. Drift was recently started on the third level to explore the downward extension of the ore developed to the east on the first horizon. Drift is now in 50 ft. east of the crosscut on the bottom level. Face sampling, Mr. Honsberger reports, returned up to .6 oz. across drift width. Slash going west on the east drift, first level, assayed .58 oz. over 6 ft.

The company intends as soon as possible to develop these levels to the west, where a length of at least 400 ft. of favorable structure is indicated.

Earnings Up For Ankerite

Net Profit $428,334 for First Six Months of This Year

In the six months ended June 30, 1937, Buffalo Ankerite Gold Mines earned 61.4 cents per share, showing a net profit of $428,334 for the period, says a statement to shareholders accompanying the August dividend cheque. Earnings per share for the full year of 1936 were 59 cents.

The mine manager's report shows increased tonnage and increased production for the period under review. Ore reserves, including broken and positive ore, totalled 938,471 tons, valued at $9,072,218 Buffalo Ankerite's two mills treated 162,426 tons of ore at an average rate of 897 tons daily, recovery being $8.08 per ton. Operating costs were $4.009 per ton, of which $2.193 represented mining costs.

The management plans to sink a shaft shortly at a site already chosen, although diamond drilling is continuing below the 1,050-ft. level for proving shaft location, says E. G. Kinkel, president. The development of the 1,050-ft. level in the north mine has proved greater ore areas, of higher grade, than any other level, the report states. A considerable tonnage of low-grade ore was hoisted from the upper levels. Positive ore reserves have been increased with higher grade.

The south mine responded well to development. Drift 802 E. developed 10,000 tons of better than average grade, and the 1053 W. drift, with the face still in ore, has proved 15,000 tons of average grade ore. Recent drilling has proved ore at the 1,750-ft. horizon. Company completed the electric power system for Hydro power and installed two new vacuum pumps in the north mill. In the south mill a thickener was added with provision for additional building. Two pumps were installed for revised mill requirements.

Quarterly Earnings
Six Months Ended June 30, 1937

	$
Net production	1,310,829
Less: Oper. exps.	734,859
Net oper. income	575,970
Less: Taxes	68,135
Development w/o	81,213
Add: Interest	1,712
Net profit	428,334
Less: Dividends	210,504
Surplus for period	217,830
Add: Prev. surplus	417,063
Duty rebate	898
Less: Workmen's comp.	6,922
Balance forward	623,869
Earns. per Share and Divd. Record:	
Earned	$0.61
Paid	0.30

Hedley Mascot Profit Seen at $40,000 a Month

From Our Own Correspondent

VANCOUVER.—Actual cash position of Hedley Mascot will not be known until September 13, the last day for converting outstanding warrants, and the company will then be in a position to decide on a dividend policy, according to Secretary Victor Creeden.

Cash position at June 30 was $259,208, consisting of $139,129 in the bank, $1,553 accounts receivable, $113,007 due from the smelter and $5,538 concentrates in transit.

The mill is now treating between 155 and 175 tons per day, depending on heads which have been running from .40 to .70 and have averaged .45 in the six-month period. Average net profit is now $38,000 to $40,000 a month. The mill's enlargement, which could not be undertaken anyway until next spring, will depend on the extent of the new ore discoveries.

Powell Rouyn Gold Contract With Noranda

From Our Own Correspondent

MONTREAL.—Powell Rouyn Gold Mines has entered into an arrangement with the Noranda Smelter for the treatment of up to 500 tons per day of Powell ore beginning with progressive daily deliveries as mine developments proceed.

Progress report from the mine manager, George Miller, covering the period June 30 to July 31, 1937, states that work consisted of sinking on No. 2 main shaft to station cutting at the 650-foot level and an additional 31 feet for a sump. Work was also done in connection with the increase in the ore bin capacity and constructing the new road to Noranda.

Smelters Increases Stock To Cover Employee Bonus

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has listed an additional 3,250 shares of Consolidated Mining and Smelting Co. of Canada, bringing the total number of listed shares to 3,263,200.

The stock involved is to provide shares voted by the board of directors of the company as bonuses to the operating staff and employees, who, having completed three years service, are entitled to five shares of stock; also to provide an additional share for all employees who, on July 1, 1937, had completed 12 years service.

Thompson-Cadillac Plans To Treat Larger Tonnage

From Our Own Correspondent

MONTREAL.—Since the start of milling operations about June 1, 1936, Thompson Cadillac Mining Corp. has handled 34,579 tons of ore averaging $6.40 a ton up to July 31, 1937, according to progress report issued by Andrew Walz, vice-president and managing director. Total recovery during the 14 months period was $202,832 in bullion and concentrates.

Production during the past month was $310,777, of which $4,102 was bullion and the balance concentrates. Expectations are that a higher rate of output will obtain from now on.

South End Petroleums Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Capital stock of South End Petroleums Ltd. has been approved for listing by the Montreal Curb Market and will be called for trading on August 16 next.

The listing covers the company's authorized capital stock of two million shares of no par value, of which 1,152,933 shares have been issued and 847,067 shares remain in the treasury.

St. Anthony Gold Mines Reports on Development

New ore opened on the 350-ft. level and known as the "Glory Hole" has been very gratifying, says H. P. Bellingham, president, in a progress report issued to shareholders of St. Anthony Gold Mines.

The "Glory Hole" has a length of 120 ft. and is still continuing in ore, with the vein running up to 36 ft. in width. It should average 25 ft. wide over the entire length. Renewed attention is being given to a surface showing, known as No. 7 vein, north of the main shaft. From present development it is known to be a shear zone 1,000 ft. long, and the vein, as at present exposed, is three feet wide.

July production was $34,482 from 2,700 tons milled, averaging $13 per ton. It is anticipated that the present tonnage will be maintained during the current month and that the production will be similar to the month of July.

Alberta Oil Production In Six Months Reported

Production of oil in Alberta for the first six months of 1937 amounted to 970,563 bbls. The provincial department of lands and mines reports that the output for June was 191,634 bbls., of which Turner Valley produced 188,496 bbls. from the limestone and 915 bbls. from higher levels. Latest well to be brought in as a producer in southwest Turner Valley is Sterling Pacific No. 5, completed at depth of 7,010 ft. It is now prducing over 1,000 bbls. daily.

Red Crest Gold Mines Increase Issued Stock

MONTREAL. — Red Crest Gold Mines has issued an additional 10,000 shares at 35 cents a share under the terms of the option agreement. This brings outstanding shares up to 2,182,000, and 818,000 shares under option. Of the latter 318,000 shares are priced at 35 cents a share and 500,000 shares at 50 cents a share.

Normetal Mining Corp. Secures Further Capital

MONTREAL. — Montreal Curb Market has been advised by Normetal Mining Corp. that 75,000 shares of treasury stock have been issued at 75 cents a share under the terms of the underwriting agreement. This brings the issued capital up to 3,263,118 shares, with 494,362 shares remaining under option at 75 cents a share.

News Concentrates

Eldorado Gold reports that an additional Diesel installation has arrived at its silver-radium properties at LaBine Point, N.W.T., bringing effective horsepower of the power plant up to 794 h.p. With this and other new equipment ordered the mine will be in a position to step up production as the present expansion programme develops.

* * *

Faulkenham Lake Gold is advised by A. H. Honsberger, mine manager, that the main vein has been cut in the north crosscut on the third level. It is now being slashed out, and drifting to the east has begun.

* * *

Lake Shore Mines has declared the regular quarterly dividend of $1 per share, payable Sept. 15 to shareholders of record Sept. 1. Dividend calls for payment of $2,000,000 on the 2,000,000 shares authorized and issued. This disbursement brings the total amount distributed this year to $8,000,000.

* * *

Lapa Cadillac Gold reports that the deep drill hole going down to check on the hole put out from the 540-ft. level has encountered a section thought to be the downward extension of D zone. It shows a width of 12.3 ft., running $4.40. This compares with 13.5 ft. grading $3.86 and cut from the 540-ft. level.

* * *

Maritime Cadillac Gold will install machinery capable of sinking to 600 ft. A 3-compartment shaft will be sunk to 300 ft. at once, first level to be at 165 ft. Harry Smeaton has been engaged as superintendent and will be in complete charge of operations.

* * *

McIntyre Porcupine Mines has advised the Toronto Stock Exchange that on July 16 last directors passed a by-law changing the date of future annual meetings to June 15, instead of June 30. When June 15 falls on a public or legal holiday, the by-law provides that the meeting shall be called for the next succeeding business day.

* * *

Perron Gold Mines reports that production for July, 1937, amounted to $74,410 from 10,641 tons of ore, an average of $6.99 per ton. Mill averaged 343 tons daily for the month. New vein in the 211 north crosscut was slashed out for 17.7 ft. over width of 20 ft., averaging $9 per ton. The 206 vein has been traced to the 325-ft. level and will yield an average of 4 ft. of good ore. Horizontal drilling on the 600-ft. level has indicated 3 veins.

* * *

Split Lake Gold has received first payment of $25,000 under a financing agreement whereby additional funds will be advanced for the development of its property in Lake of the Woods area, Ontario. Deal involves a total of $170,000. Company is now carrying on work preliminary to shaft sinking. The 2-compartment opening will be sunk directly on the No. 2 vein. First station will probably be cut at 100 ft., with immediate objective 200 ft.

* * *

Cariboo Gold Quartz advises the Toronto Stock Exchange that the mill was stepped up to its old rate of 225 tons daily early this month. During July, 676 fine ounces of gold were recovered, including 73 ounces from clean-up of the ball mill. Company treated 1,232 tons of ore, output being valued at $23,660, with mill heads indicated at $19.20 per ton. Total production for the period is below normal for the company, since the mill was not operating at capacity due to labor strike conditions.

Mining Company Charters

Caledonia Long Lac Mining Syndicate—Ont. incorp. July 19, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

Calumet Mines—Que. incorp. July 13, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Camlaren Mines—Dom. incorp. July 13, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, n.p.v.

Contacialamque Gold Mines—Que. incorp. July 20, 1937. H. O. Quebec, Que. Auth. cap. 20,000 shares, $1 par.

Eastmac Holdings—Que. incorp. June 30, 1937. H. O. Val d'Or, Que. Auth. cap. 20,000 shares, $1 par.

Eureka Gold Mines (Quebec)—Que. incorp. July 6, 1937. H. O. Montreal. Auth. cap. 90,000 shares, $1 par.

Gold Bar Mines (Quebec)—Que. incorp. July 9, 1937. H. O. Rouyn, Que. Auth. cap. 20,000 shares, $1 par.

Harway Mining Syndicate—Ont. incorp. July 15, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

Jessup Exploration—Que. incorp. June 26, 1937. H. O. Rouyn, Que. Auth. cap. 99,000 shares, $1 par.

Kay-Hayes Mines Ltd.—Ont. incorp. July 2, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Kotter Gold (Quebec) Ltd.—Que. incorp. July 12, 1937. H. O. Montreal. Auth. cap. 40,000 shares, $1 each.

McVeigh Creek Mining Syndicate—Ont. incorp. July 14, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

Norbec Mines—Que. incorp. June 22, 1937. H. O. Noranda, Que. Auth. cap 20,000 shares, $1 par.

Nor-Que Developments—Que. incorp. July 21, 1937. H. O. Montreal. Auth. cap. 50,000 shares, $1 par.

Orland Gold Mines (Quebec)—Que. incorp. July 3, 1937. H. O. Montreal. Auth. cap. 4,000 shares, n.p.v.

Princeton Tulameen Coal Co.—B. C. incorp. July 22, 1937. H. O. c/o W. D. Seaman, Angle St., Princeton, B.C. Auth. cap. 300 shares, n.p.v.

Senneterre Prospecting & Development—Que. incorp. July 16, 1937. H. O. Montreal. Auth. cap. 90,000 shares, $1 par.

Smith-Tiblement Mines—Que. incorp. July 16, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Snowshoe Gold Mines—Que. incorp. July 6, 1937. H. O. Val d'Or, Que. Auth. cap. 3,000,000 shares, $1 par.

Stergold Mining Syndicate—Ont. incorp. July 19, 1937. H. O. Toronto. Auth. cap 35,000 shares, $1 par.

Vantage Mines (Quebec)—Que. incorp. June 15, 1937. H. O. Montreal. Auth. cap. 20,000 shares, $1 par.

Wolverine (Quebec) Mines—Que. incorp. July 3, 1937. H. O. Rouyn. Auth. cap. 145,000 shares, $1 par.

Surrender of Charter

Alcona Gold Mines—Gives notice as of July 27, 1937, that it will apply to the lieutenant-governor of Ontario for acceptance of the surrender of its charter.

Chibougamau Peninsula Mines Co.—Will make application to the lieutenant-governor of Quebec as of July 27, 1937, for leave to surrender its charter.

Capital Changes

Monetary Metals—Has been issued supplementary letters patent dated July 9, 1937, increasing the capital of the company from the sum of $1,000,000 to the sum of $1,500,000 by the creation of 500,000 additional shares of the par value of $1 each.

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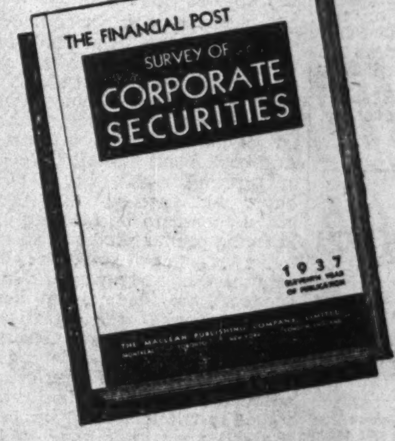

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Quebec Mines Output Rises

Detailed Table Shows Record of Each Producer

From Our Own Correspondent

MONTREAL. — Quebec's gold mines produced 340,109 ozs. of gold during the first half of 1937. The value of this output in Canadian funds was $11.9 millions, according to a report issued by the Quebec Bureau of Mines. Production for the first half of 1936 was valued at $6.5 millions.

The mines, quantity of ore in tons treated by each, along with the gold content and value in Canadian funds, are listed as follows:

Mines:	Ore treated tons	Gold content ounces	Value in Can. funds
Arntfield	30,611	3,010	$ 105,320
Beattie	277,800	34,451	1,205,440
Belleterre	17,515	3,891	136,146
Can. Malartic	112,361	14,949	523,086
Lamaque	99,936	37,972	1,328,640
McWatters	16,344	6,836	239,192
O'Brien	17,942	18,796	657,672
Perron	60,631	13,534	473,555
Shawkey	23,638	4,566	159,764
Sigma	34,566	7,557	264,419
Siscoe	94,322	37,417	1,309,221
Stadacona	40,934	6,473	226,490
Sullivan	27,325	10,743	375,898
Four other gold & base metals mines	......	139,914	4,895,592
Totals	......	340,109	$11,900,415

Wood Cadillac Mines Arranges for Underwriting

From Our Own Correspondent

MONTREAL. — Wood Cadillac Mines has entered into a new underwriting and option agreement covering 800,000 shares.

Under the agreement 100,000 shares were underwritten at 32½ cents a share, while the balance is under option at prices from 40 cents to $1.55 a share, to be taken up within a year from January 29, 1938. Of the firm underwriting 40,000 shares have been taken up.

Pato Consolidated Gold Raises Additional Funds

From Our Own Correspondent

MONTREAL. — Pato Consolidated Gold Dredging is issuing equally to Pato Mines Colombia, and to Placer Developments Ltd., a total of 200,000 shares at $2.50 a share net. The proceeds will be used by the company for the completion of dredges Nos. 4 and 5, and the Anori Hydro Electric plant, as well as for acquiring and installing four hydraulic units.

With the additional shares, Pato Consolidated will have outstanding 2.9 millions, of which Placer Development Ltd. and Pato Mines Colombia will each hold one million shares.

Central Patricia Output $101,115 For 28-day Run

The mill at Central Patricia Gold Mines, in the Patricia area of Ontario, was cleaned up on July 28, production for the 28 days amounting to $105,115, Alan Cockeram, secretary treasurer, informs The Financial Post. During July, some difficulty was experienced in the mill circuit which increased cyanide consumption and slightly increased tailings loss. Conditions are now reported to be normal. It is expected that production for the first few days of August will be less than average as certain changes and repairs were being made to the mill.

Central Cadillac Gold Reports On Underground

From Our Own Correspondent

MONTREAL. — Central Cadillac Gold Mines notified the Montreal Curb Market that according to information by wire from an engineer on the property, face 1-7 east on the 100-foot level shows fine free gold assaying $21 over stoping width.

On drift 1-2 east the company reports that a further 42 feet of ore has been developed, giving an average of $11.75 across a width of five feet. Good results are reported on the second level on the 2-2 east drift and assays will be available shortly.

News Concentrates

Luxor Red Lake Mines, northeast of McKenzie Red Lake in Red Lake area, Ontario, is now reported to be drilling its third hole at the property. The three holes cannot be correlated and were planned merely to give structural information, each one being sunk in a different section of the holdings.

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Moose Mine, in Kelly twp., Sudbury division, has flown a diamond drilling outfit and crew into its property from Sudbury. Mine is at Kukagami Lake. The drilling which will be done follows considerable surface exploration carried out during the summer.

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Obalski Mining Corp. has completed drill hole No. 23 on its property at Cache Bay, Obalski twp., Que. About 7,800 ft. of drilling has been done, with results reported as satisfactory. Recent intersections on "C" vein have shown increased widths with good values, reports H. E. Corbett, consultant. Holes 23 returned values of $7.70 and $1.05, while hole No. 22 cut 4 ft. 11 in. of material averaging $63.13. Mining plant is ready to begin sinking on a 24-hour basis. Shaft is at present down 40 ft.

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Polaris Gold Mines is to start diamond drilling immediately on the Verity group of claims adjoining Dayton Porcupine Gold Mines in Ogden twp., Porcupine area, upon which group Polaris has been given an option. H. B. Hatch will direct the work. A crew is already on the ground preparing for drilling. The Verity group consists of 31 claims.

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Randall Mines, controlled by Mines Developing Corp. and with holdings at Fisher, Que., will increase its power supply to permit the present mill to treat 120 tons daily if the recommendations of A. P. Mackenzie, consultant, are carried out. Reporting on operations up to July last, Mr. Mackenzie states that recent development work has exposed ore reserves of 620,000 tons, of an average grade of $7.08. It is recommended that the company secure $25,000 immediately to cover existing and expansion expenses.

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Stergold Mining Syndicate has been formed to develop a group of nine claims, known as the Snelgrove group and east of Consolidated Smelters' property in Beardmore area, Ontario. Stergold is south of Northern Empire's holdings. The president is W. E. Shean, Toronto. Capitalization is 35,000 shares. 11,600 shares were issued for properties. The company plans a diamond drilling campaign following a geophysical survey.

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Wood Cadillac Gold Mines — On Dec. 10 last, issued 1,000 shares and on Jan. 6, 1,000 shares to its engineer under his contract which at that time provided that his fee was payable partly in cash and partly in stock. On Jan. 6, an additional 6,000 shares were issued in payment of commission upon stock taken up during 1936 under option. Total issued capital as of June 30 last was 3,198,300 shares.

Red Crest Gold Mines — An additional 27,000 shares have been taken up at 35 cents per share under agreement March 20, 1936, bringing total issued capital to 2,172,000 shares. Balance of option comprises 328,000 shares at 35 cents, and 500,000 shares at 50 cents.

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True Fissure Mines, in La Reine twp., Quebec, reports that diamond drilling so far done on the property has extended a distance of over 1,800 ft. on the mineralized zone. Company has decided, before doing any additional sinking, to resume drilling operations to lower levels, where indications point to enrichment of the ore. True Fissure Mines, which is a Quebec company, has no connection with New True Fissure Mining & Milling Co., an Ontario incorporation.

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Bralorne Mines reports July production at 6,730 fine oz. from treatment of 14,527 tons, an average of 0.46 oz. per ton.

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Lapa Cadillac Gold reports that the raise put up between the second and first levels at its property in Cadillac twp., Quebec, has proved the continuity of the high grade B footwall ore zone. A high-grade section located on the 450-ft. level suggests that the ore continues to that depth, officials say. Drifting on the 165-ft. level has resumed following completion of the raise.

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Margaret Red Lake Gold holding 51 claims in the Red Lake area, has started sinking a three-compartment shaft on its property. Two shoots will be investigated underground, and a mining plant capable of carrying work to 1,000 ft. has been installed. Initial shaft objective is 300 ft., with establishment of two levels at 150 and 275 ft., respectively.

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Siscoe Gold Mines reports July production at $220,814, compared with $206,199 for July, 1936. The mill treated 16,840 tons, mill heads averaging $13.51. This compares with treatment of 14,433 tons during July of last year, when mill heads ran $14.72.

Big Missouri Mines Sells 30,000 Share Block

From Our Own Correspondent

MONTREAL.—Big Missouri Mines has advised the Montreal Curb Market that 30,000 shares at 50 cents a share have been taken up under the terms of the option agreement. This leaves 985,633 shares under option at the same price, with 4,049,367 shares outstanding in the hands of the public.

Northern Gold Placers Brought Into Production

From Our Own Correspondent

VANCOUVER. — Northern Gold Placers, Ltd., operating under direction of Capt. R. D. (Bob) Adams in the Manson Creek area of the Omineca district, has been brought into production. The ground was tested by diamond drill for two seasons for the Jack Hammell interests of Toronto, and Adams later undertook to develop it on his own account.

Pamour Planning Larger Capacity

Net Profit of $283,500 Shown For First Half of 1937

During the first half of this year, Pamour Porcupine Mines milled 131,000 tons of ore, giving a net return after marketing expenses of $900,800 and an estimated operating profit of $388,500, which after provision for interest on loans less miscellaneous income, depreciation, taxes and preoperating expenses written off, showed an estimated net profit for the period of $283,500.

Notes payable to Noranda Mines amounting to $200,000 at the end of 1936 have been paid in full.

James Y. Murdoch, president, states that earnings are largely being expended in extensive development work and plant and mine equipment.

Drilling Continues

Diamond drilling from the surface on the section from No. 2 shaft to the western boundary of the property is being carried on, but is hampered by deep overburden. While some interesting sections of core have been encountered, more drilling and considerable underground work are necesary before the importance of this ground can be determined.

The company is ordering approximately $85,000 additional equipment which, when installed, should bring the daily capacity up to 1,400 to 1,500 tons.

Bulolo Gold Dredging Returns Are Under 1936

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports July production of 9,675 ounces of fine gold. This compares with 9.627 ounces in June and 13,904 ounces in July, 1936.

Estimated working profit last month totalled 6,288 ounces, equivalent to $220,080 in Canadian funds, taking gold at $35 an ounce. In June the working profit amounted to $218,505 and in July a year ago to $338,485.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER.—Zeballos River, on the west coast of Vancouver Island, may become an important British Columbia mining camp, in the opinion of mining men in the district. The Zeballos area is comparatively close to tidewater, a few miles from a newly-established port for the C.P.R.'s "Princess Maquinna." Most of production so far is from high-grade veins, and vein occurrence is said to be frequent. Chief operators to date in the area have been A. B. Trites and associates.

Zeballos River district is said to lend itself to development by the small prospector as well as the larger operator, although the country is rugged, mountainous and heavily timbered. Considerable staking of claims is being done. Carr Brothers, D. S. Tait, O. T. Bibb and D. T. Lutes are among British Columbians interested in the new field.

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Value of production from properties in Sheep Creek field is expected to show an increase of over 30% this year, most spectacular performer in the camp being Sheep Creek Gold Mines, which is maintaining an average monthly production valued at over $80,000. Estimated value of production from the five principal mines of the area is close to $3 millions, about half the total for British Columbia's leading gold field, Bridge River.

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Yankee Girl grossed $35,000 in July, indicating rising production. Wesko has been in steady production this year. Kootenay Belle is now milling 120 tons daily.

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Cariboo Gold Quartz is now milling 225 tons daily. Island Mountain Gold plans to have everything ready for resumption of operations this month, while Quesnelle Quartz will build a 25-ton mill this fall and gradually increase capacity to 50 tons.

• • •

Directors of Kootenay Florence hope to get this old producer back into operation shortly.

Your Mining Stocks

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Mooshla Gold

Any information you can give me on Mooshla Gold Mines will be greatly appreciated.

Mooshla Gold Mines Co. owns outright a group of 54 gold claims in Bousquet Twp., Quebec. The present company took over the assets of Mooshla Gold Mines Ltd., formed in July of 1934, for 1,300,000 shares and $6,000 cash. Old shareholders should receive about 100 new shares for each $10 par share held.

Early this year the company suspended underground work, though diamond drilling is still being carried on. The "A" shaft has been completed to a depth of 352 feet, with levels established at 115, 230 and 345 feet. On the 115-foot level, 72 feet of ore was revealed averaging $35.25 over 44 inches. A parallel vein was cut on the 345-foot level, 80 feet from the shaft. Seventy-five feet of drifting on the third level returned values over a three-foot width.

On the 230-foot level, the vein was intersected and drifted on for 70 feet, giving an average value of $32.10 over 31½ inches for a length of 56 feet. In the "B" area, where the main vein has been traced for a length of 1,300 feet, a shaft has been put down to 60 feet and a level cut at 50 feet, where the Number 3, or cross vein, has been drifted on for 75 feet in mineralized material.

The company is under capable technical direction, its president being H. S. Denny, noted mining engineer. Mooshla is capitalized at $3 millions of which $2,468,755 were outstanding at May 31 this year. The shares have a par value of $1, and there are 1,300,000 vendor shares in escrow. Funds for development are provided as required through the taking up of shares under option at prices ranging from 50 cents to $2 per share. The company is leaving further development of the "A" section in abeyance until the treasury is in a more satisfactory condition. High-grade ore was found and proved to a depth of 345 feet for a zone 75 feet in length with very narrow veins.

Kerr-Addison

Kerr-Addison appeals to me as an interesting proposition. Please give me a résumé of its prospects.

As you are probably aware, the Kerr-Addison management is planning a 500-ton mill to go into production early next year. This property is obviously a low-to-medium grade proposition, and large tonnages will have to be treated if a profit is to be shown. Costs have been tentatively estimated at $4 per ton with grade of about $6.75. Hence, in addition to the $4 costs, depreciation, depletion and taxes will have to be added, and it will be seen that the margin of profit will be rather narrow unless, as is quite possible, higher grade is encountered at the lower levels.

The company has indicated, however, that it has large tonnages of this low grade and the calibre of the management is excellent. In addition, the company is financed by a strong group, including Noranda, Anglo-Huronian, F. M. Connell and others.

In the main, therefore, while large profits do not seem logical, we have no doubt that the company can operate at a small profit under present gold prices. It will start production in good financial shape.

Glenora Gold

As a shareholder in Glenora Gold I should be pleased if you would give me some facts about the property to help me decide if the purchase of additional shares is warranted to average my holdings.

Glenora Gold Mine has decided to suspend operations on its property in Lebel Twp., Kirkland Lake area. The company has about $30,000 in the treasury, and since a much larger amount would be necessary to carry out the development programme planned, it is believed advisable to keep the treasury intact until market conditions improve and the public is in a more receptive mood for mining shares.

Officials state that development work has been fairly encouraging, although no ore bodies have been actually blocked out. The shaft is down 500 feet, with three levels opened up.

This property has a long way to go before it emerges from the prospect class, and we can see no particular advantage in levelling up on your stock at present.

Hard Rock Gold Mines

I would appreciate any information you may give me pertaining to Hard Rock Gold Mine, as to capitalization, development and finances.

Hard Rock Gold Mines is developing a gold property adjoining the western boundary of MacLeod-Cockshutt Gold Mines in the Little Long Lac area of Ontario. The porphyry hill zone at the western side of the property uncovered by surface exploration and diamond drilling in 1936 has been the centre of recent operations. This zone has been exposed on the surface for 1,100 feet. Underground development in this area has substantiated to a large degree the very encouraging results of diamond drilling. Development has not yet reached the stage where an estimate of ore reserves is possible but preliminary results indicate that this property has the earmarks of a producer.

The management is in the hands of experienced mining men.

Cash on hand as at Feb. 16, 1937, amounted to about $940,000 and it is expected to be sufficient to carry out several thousand feet of development work proposed and to bring the mine into production. The company is capitalized at $3 millions in $1 par value stock, of which $2,989,202 were outstanding as at Feb. 17, 1937.

Oil Royalty Investment

I would like to have your comments on the advisability of buying royalties in Turner Valley oil wells.

Oil royalties entitle the holder to a percentage of the income from oil production after the deduction of gross royalties and expenses. Payments received by royalty holders are largely return of capital, and should be regarded as such until the entire investment is repaid. The reason for this is, of course, that the oil is the company's main asset, and every gallon produced therefore reduces its asset.

The royalty form of financing has been in some cases extremely profitable to the holder, but it is one of the most speculative forms of investment, oil wells being subject to so many unpredictable factors, such as price, geological structure, government action, etc.

It has been fairly well demonstrated in Turner Valley that if a well is drilled on the property immediately adjoining an already successful producer, the chances of obtaining production are quite good. Developments have reached the stage in the Valley where the hazard involved in drilling certain wells is reduced to a minimum. Accordingly, in selecting royalties, considerable thought should be given to the location of the well in relation to those already producing.

You should remember that before the royalty percentage is obtainable, certain gross royalties and expenses must be deducted. Production from the property of B. and B. Royalties, for example, is subject to a 10% gross royalty payable to the Alberta Government and a 10% gross royalty to the lessor of the property. This means that 20% of production must be deducted before the net royalty holders can take their percentage.

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War Demands Of Japanese Benefit B.C.

Tariff Cuts Likely to Boost Exports From Coast

From Our Own Correspondent

VANCOUVER. — By reducing tariffs on newsprint, copper, lead, zinc and several other products sold extensively by British Columbia, the Japanese Government achieved a stroke of business that may benefit this province as much as Japan.

In most of the commodities covered by the Tokio order British Columbia is more directly affected than any other part of Canada. More than 90% of Canada's lead and zinc is produced in British Columbia, chiefly in the Kootenay district.

The recently reopened Granby Consolidated Mining & Smelting Company's plant at Allenby, will soon be running on a 3,000-ton daily basis.

Newsprint has been a big item in B.C.'s trade with Japan for several years, Powell River Company and Pacific Mills, Ltd., doing most of the business.

Desperate Need

"Action of the Tokio Government means that Japan finds herself desperately in need of the materials that B.C. can supply," a trans-Pacific trade authority commented recently. "With her trade balance out of line, Japan is not importing any more than she absolutely is compelled to do. War conditions have evidently resulted in a critical need for these goods."

Chief reason for elimination of the tariff is to make costs of the imports less to the consumer in Japan. High costs have been a potent factor in developing Japan's top-heavy financial structure.

Copper sales last year totalled 407 cwt., valued at $2,442; this year, 10,222 cwt., $112,994; lead, 218,402 cwt. in 1936, valued at $654,317; 1937, 260,793 cwt., $1,490,290; zinc, 95,228 cwt., $248,767; 56,535, cwt. this year, valued at $239,423; newsprint, 434,405 cwt. in 1936 valued at $715,325; 176,745 cwt. this year, $315,074.

Travellers

George R. Cottrelle, corporation executive of the Canadian Bank of Commerce, is returning to Canada this week from Dublin.

* * *

T. H. Meighen and **Mrs. Meighen**, son and daughter-in-law of Rt. Hon. Arthur Meighen, Toronto, returned to Canada last week from England aboard the liner Andania.

Fairchild Seeks Airplane Order

From Our Own Correspondent

MONTREAL.—Negotiations are still proceeding between representatives of Fairchild Aircraft Ltd. and the Canadian Government regarding the placing of a large contract for Bristol airplanes. It was reported last week that the order had been placed, but this is not confirmed officially.

If the contract is placed, it is understood that the machines will be built in Canada. In the event that Fairchild is successful in securing the order, it will build the machines but will secure engines from the Bristol Company's Canadian representatives.

Sask. Sales Tax Creates Problem

From Our Own Correspondent

REGINA. — Saskatchewan towns on the Alberta border have requested exemption from the new 2% sales tax which is to be used for educational purposes and which went into effect on Aug. 2. Request for exemption arises out of the action of the Alberta Government in cancelling its 2% sales tax.

A peculiar case in point is the town of Lloydminister which straddles the Alberta-Saskatchewan border. Stores on one side of the main street are in Alberta and on the other in Saskatchewan.

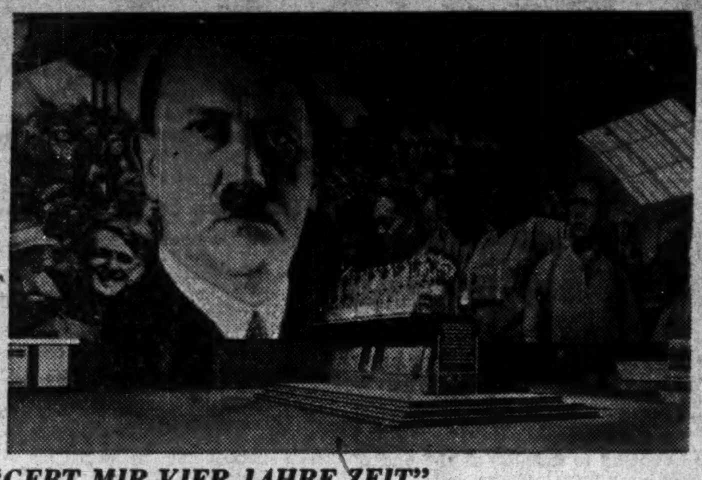
The town operates under a special charter adopted by the legislatures of both provinces, and each government has the power to exclude the town from any provincial statute that it deems advisable.

Now that Saskatchewan has a sales tax and Alberta has no tax it is expected that the Saskatchewan Government will follow Alberta's example and exempt the town from its tax.

Obituary

George Robert Kerr, vice-president and treasurer of Canadian Westinghouse Co. Ltd., died at his home in Hamilton. Joining the Westinghouse Co. in 1902 he was transferred to Canadian Westinghouse in 1903. He was a Fellow of the Chartered Institute of Secretaries, member of the National Association of Cost Accountants; Legislative Committee, Canadian Manufacturers' Association; Ontario Executive of the C.M.A., and member and past president of the Hamilton Chamber of Commerce. He was 55.

George Casson, advertising manager of the T. Eaton Co. Ltd. at Calgary, and formerly of Winnipeg. He was 56.



"GEBT MIR VIER JAHRE ZEIT"

This is the slogan of Germany's Four Year Plan, aiming at economic self-sufficiency. In Berlin, Mr. Chipman attended the "Give Me Four Years' Time" exhibition where there were displayed evidences of the nation's progress toward that objective.

The giant photograph of Herr Hitler may be compared in size with the doors beneath it.

Synthetic Age in Germany Opened by Four-year Plan

(Continued from page 9)

Even at that the cost of production of these motor fuels is high, not only because of the methods but also because of the great capital investment required for the building of the new plants. Roughly the cost is three to four times as much as that of the natural product.

Wears Better Than Rubber

Similarly with "Buna," the new synthetic rubber, the cost of which is presumably five times as great as the natural product. Its wear-resisting qualities have proved to be better than rubber itself, especially in acid and oil resistance. German authorities claim that only 12% of the consumer price of a tire is in its rubber content; hence, that "Buna" tires need be but 50% to 60% higher than ordinary tires. "Buna" will not come into commercial production until next year but under the impetus of the Four Year Plan, Germany hopes that her entire rubber consumption of 65,000 to 70,000 tons will be met with "Buna" as early as 1941. But the outsider asks himself if Germany can stand the cost in wasted capital of fulfilling such a dream?

The tide of self-sufficiency flows similarly with aluminum which is replacing copper extensively. Germany today uses half of all the aluminum manufactured in the world. Made from magnesium sulphate—a derivative from potash salts with which Germany is amply supplied—plus bauxite, which has to be imported, the nation's production of aluminum has increased from 34,300 tons in 1933 to 105,000 tons in 1936. It is worth remembering that the bauxite raw material comes from southeastern Europe.

Nickel Use Controlled

As a Canadian, I was especially interested to learn that nickel, chromium and cobalt are prohibited for many consumers' products.

Self-sufficiency in zinc has made rapid strides even to the point of requirements being met within a year. Tin is a problem. Freight carloads of empty tin cans observed during our train journey from Bremerhaven to Berlin evidenced how carefully the public's savings of them are collected for re-use.

Mention should be made of Germany's great strides in the creation and use of "plastics," which act as a substitute for metals in machinery parts and of the porcelain tubes now being used extensively in place of copper and zinc tubing, especially successfully where acid-resisting properties are required.

It was surprising to me to ascertain that Germany provides a quarter of the world's output of plastics. The producing and molding plastic industry gives employment to 100,000 persons with the value of its output over $40 millions.

The other major field in which the Four Year Plan seeks self-sufficiency is textiles. This is of interest to Canadians primarily because it is in synthetic textiles made from a wood base the most progress is looked for. Germany is believed to have adequate forest resources for the purpose.

But even under the Four Year Plan it is reported that expansion of rayon and "cell-wool" production will cover only 50% of normal cotton consumption and 20% of wool consumption.

The situation is not so promising in the production of natural fibre—flax, wool and hemp — Germany having imported, of necessity, over 83% of her needs in 1936. It is difficult to imagine that anything approaching self-sufficiency is possible in these fields.

Prevention of Waste

Before leaving the Four Year Plan, mention should be made of the co-operation sought from all the people in the prevention of waste. The full forces of propaganda are at work to enlist householder support in the saving of waste and offal materials—rags, bones; articles made of copper, nickel, lead, aluminum; tin; iron and steel scrap, bottles, waste paper, etc.

Even this brief survey of the Four Year Plan prompts one to ask three major questions. First, what bearing has it on Germany's foreign trade and external relationships? Secondly, since it is a raw material self-sufficiency plan and a world supply—in many articles an over-supply—of these materials is at hand, what, then, is the basis for Germany's demands for access to raw materials and colonies? Thirdly, where will it lead to? In brief, after the Four Year Plan, what?

These questions will be discussed in my next article.

Has Capitalism Failed?

(Continued from page 9)

increase in production and in consumption in one century is not without merit, and in view of what it accomplished up to the war that system cannot be held responsible for the danger into which the world has now drifted.

Any impartial examination of the situation leads to the conclusion that the present economic breakdown is the natural result of war in these days with its inevitable aftermath; that whatever economic system had been in operation, it would have come to grief under a catastrophe of such magnitude, and that whatever system were adopted at the present time would collapse if war on the scale of the Great War were again to break out.

Failure to Learn

This conclusion does not, however, explain the failure to apply the permanent remedies for the breakdown after nearly 20 years have passed since the war came to an end. For this failure other causes must be sought.

The system now in operation is not the capitalist system, it is a system of government control of the business machine in all countries, a control for which governments have had no training and of which they have little or no understanding. Moreover their mental equipment is totally unsuited for the constructive effort needed to cause the machine to operate freely and effectively.

Their amateur efforts to control causes them to favor measures that tend to bring the machine to a standstill and discouraging measures that would enable it to work successfully.

Relaxation of Control

If recovery is to be attained the world's business machine must not be controlled by governments but placed in the hands of those who by long years of experience are in a position not only to restore it but to cause it to operate with ever increasing efficiency. Were this to be done, however, the governments would have to change their policies and remove their inhibitions and limitations which if maintained would impose a brake upon the machine so effectively that not even the experienced could operate it successfully.

It is imperative that governments should perform the functions and the duties which they and they alone can perform. One of the most important in these days is to create that atmosphere of good will both national and international without which close co-operation between the classes and between the nations so essential to recovery will continue to be lacking.

But it is equally imperative that governments should leave to their peoples the functions and duties which can be performed more effectively by the individual citizen, and that they should be permitted to think and to act freely in their own and in the general interest.

Road to Recovery

This is the road that needs to be taken if the political hindrances to recovery are to be removed. Moreover this was the road that led to the great expansion in the prosperity of the nations until the war caused such widespread dislocation and made it necessary for governments temporarily to take control of banking and industrial policy. In times of peace, however, government control is unnecessary, undesirable and harmful and if not discontinued may result, not only in revolution, but in a new and still greater war.

When the world's present capacity to produce, to transport, and to finance, is considered at the same time as the extent of the world's needs under modern conditions, it is not unduly optimistic to anticipate that the world's income will double in the decade following the effective restoration of the world machine. Not only will there be no excessive powers of production, but a very great increase of productive power will be demanded.

Indeed, who can calculate what will be the world's power to consume when the standard of life of the world's population of upward of 2,000 millions of persons has been raised by modern banking, modern machinery, modern transport and by modern desires to the level that is attainable under conditions of freedom?

B. C. Moves to Regain Civic Credit Standing

From Our Own Correspondent

VANCOUVER. — Financial men and municipal leaders are laying the groundwork for a campaign to bring about reinstatement of the credit of British Columbia cities.

Feeling is general among those who have studied municipal affairs that the comparatively low status of many B. C. civic bonds is unjustified, and that a practical approach to some of the broader problems facing the province would result in substantial improvement.

Improvement in the physical position of many of the cities has already become a reality. Unemployment is less; there has been a long holiday in capital expenditure, and business has shown a distinct recovery in many areas.

But in spite of these improvements there has been little or no betterment in the municipal bond situation. Even in Prince Rupert, where Commissioner W. J. Alder has made a workmanlike job of whipping the city's finances into sound shape again, the bonds are still depressed.

By adopting a hard-boiled attitude from the start and turning down every request for expenditure except those of an almost emergency nature, Mr. Alder has trimmed the Prince Rupert budget and slashed the floating debt and the prospect of an increasing industrial payroll has made the outlook much brighter, but the holders of Prince Rupert bonds as well as the holders of other B. C. municipal securities have yet to see much cause for rejoicing.

Bondholders Wait

Actually, the bondholders, except in a few exceptional instances, have been obliged to stand a long way back in line while the municipalities pay for the fruits of financial improvement. There is no longer any talk of defaulting on principal and repudiation ideas never did gain a very strong foothold in British Columbia, but that has not altered the fact that holders of bonds of such communities as North Vancouver and Burnaby, which defaulted five years ago, have not seen any sign of relief. The attitude on the part of these municipal councils has been to pay off outstanding debts first, such as payments to the bank, while the bondholders wait.

Hon. John Hart, Minister of Finance, set a good example for the municipalities by paying off a provincial loan at maturity with $3,500,000 cash, accompanying his act by the assertion that British Columbia would pay its indebtedness to the last dollar and that, so long as he had a voice in government, no form of repudiation would be entertained.

It was a sound example but it was like a rich man boasting of his generosity to an audience of paupers, for British Columbia's municipal spokesmen have repeatedly argued that the province's credit has been maintained largely at the expense of the municipalities.

Reason for this claim is that the province has obtained much of its revenue from sources that used to belong exclusively to cities. For instance, when the Provincial Government cracked down on the old-time saloons and adopted a new liquor policy it was on the understanding that the cities, which previously had obtained nearly all the proceeds from licensing, would split liquor revenue on a 50-50 basis with the province.

Actually, all the revenue from this source goes to the province, which in turn doles out a varying amount to the municipalities in the form of an annual grant. Pari-mutuel betting revenue, amusement and gasoline taxes and several other forms of revenue which the cities maintain should be theirs are paid into the provincial treasury.

Redistribution of Revenue

The municipalities intend to renew their agitation this year for a more equitable distribution of revenues. Not only would they like a larger share in some of the revenues mentioned, but they would like to abolish the present arrangement whereby they are dependent on "grants." And they would welcome an arrangement whereby the Provincial Government would take over more of the cost of education.

The municipalities feel they have a good case and they have been led to expect a more generous attitude

Because Vancouver, by reason of its size dominates the municipal situation in British Columbia, considerable interest is being shown in the brief now in course of preparation by representatives of that city to be presented to the Provincial Government and possibly to the Royal Commission on taxation. Several meetings have been held in connection with this brief, attended by representatives of business interests as well as of the city council. When completed, it will take the form of a municipal bill of rights.

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Stop Reckless Driving!

If you drive recklessly and have not made up your mind to stop it, you are going to find yourself in serious trouble —*soon!* The Department of Highways is determined to put reckless drivers off the road and keep them off. If you need your car in business, stop and think for a minute what would happen if you had your driving license cancelled. You might lose your job. But what is *your job* compared to the *death, crippling,* or *injuring* of a good citizen!

Reckless drivers are criminals going along our highways breaking laws, maiming and killing defenseless people. Our laws are adequate and fair. Obey them and you will keep out of trouble; break them and take the consequences. You cannot say you have not been warned. Stop speeding! Stop cutting in! Stop passing on hills. Stop taking chances of any kind. If you *must* drive slower than the average traffic, keep well to the right side of the highway or use the side roads. Do not block other traffic.

ONTARIO MOTORISTS WILL CO-OPERATE

to put reckless drivers where they belong. Here is what to do. When you see a motorist driving in a manner dangerous to the public, take his number, make a careful note of the actual time and place and when you reach your destination write to the Motor Vehicles Branch, Department of Highways, Toronto, giving full details. We do not invite reports of minor infringements of the traffic laws; you are requested to use sound judgment. *We will deal adequately with offenders.*

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